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LEGISLATIVE HISTORY

Public Law 862--80th Congress

Chapter 775--2d Session

H. R. 6829

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DIGEST OF PUBLIC LAW 862

SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION ACT, 1949. Includes appropriations for the Office of Defense Transportation (\$350,000); Atomic Energy Commission; U. S. Maritime Commission; The Veterans' Administration; and the War Assets Administration. Abolishes the War Assets Administration, effective Feb. 28, 1949; transfers its functions pertaining to surplus real property to RFC, aircraft and aircraft parts to the Air Force Department, and personal property to the Bureau of Federal supply; provides for liquidation of the affairs of War Assets Administration by the Treasury Department; abolishes the priorities and preferences on personal property, provided for in the Surplus Property Act of 1944, as amended, after August 31, 1948, but continues them as to the disposal of real estate; authorizes the transfer of surplus personal property by disposal agencies to any other agency of the Government without charge, if such property can be put to public use by the transferee agency; authorizes the Treasury Department, Air Force Department, and RFC to dispose of surplus personal property transferred to their respective agencies by abandonment, destruction, or donation to public bodies if such property has no commercial value or if the estimated cost of care and handling would exceed the estimated proceeds from its sale; and provides that the Surplus Property Act of 1944, as amended, shall not apply to Government property declared surplus after the date of enactment of this Act and that such property shall be disposed of in accordance with the terms of other existing law. Sec. 104 amends Sec. 207 of the Independent Offices Appropriation Act, 1949, which provided for a 25% salary differential for persons employed abroad. The following changes are provided in the amendment: (1) The salary differential is limited to persons whose basic compensation is fixed by statute; (2) the salary differential is based on living costs substantially higher than in the District of Columbia, or conditions of environment which warrant the differential as a recruitment incentive; (3) eliminates any possible requirement that native employees receive pay equal to that paid for similar services in the States; (4) prohibits payment of a salary differential to any person entitled to receive a cost-of-living allowance; (5) eliminates reference to the salary limitation provided by the Classification Act of 1923, as amended; (6) provides that this section shall be effective 60 days after enactment or as specified in regulations issued by the President, whichever date is earlier; and (7) continues present regulations until the effective date of this section.

Index and Summary of History on H. R. 6829

January 22, 1948	Documents: Estimated upon which the bill is based are contained in House Documents Nos. 507, 597, 618, 630, 631, 648, 673, and 681.
March 31, 1948	See also Senate Hearings, S. 2754.
May 18, 1948	Hearings: House, H. R. 6829.
June 8, 1948	House Appropriations Committee reported H. R. 6829. Committee Print of the bill and report. House Report 2245. Print of the bill as reported. House Rules Committee reported H. Res. 651 for the consideration of H. R. 6829.
June 9, 1948	House debated and passed H. R. 6829 with amendments.
June 10, 1948	H. R. 6829 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
June 14, 1948	Hearings: Senate, H. R. 6829.
June 17, 1948	Senate Committee reported H. R. 6829 with amendments. Senate Report 1758. Print of the bill as reported.
June 18, 1948	Senate debated and passed H. R. 6829 with amendments. House and Senate Conferees appointed. Print of H. R. 6829 with the amendments of the Senate numbered.
June 19, 1948	House and Senate received the Conference Report. House Report 2435. Both Houses agreed to the Conference Report.
June 30, 1948	Approved. Public Law 862.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE OFFICE OF DEFENSE TRANSPORTATION IN THE
FORM OF AN AMENDMENT TO THE BUDGET

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1949, IN THE AMOUNT OF \$445,000 FOR THE OFFICE OF DE-
FENSE TRANSPORTATION, IN THE FORM OF AN AMENDMENT
TO THE BUDGET FOR SAID FISCAL YEAR

JANUARY 22, 1948.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, January 22, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949, in the amount of \$445,000 for the Office of Defense Transportation, in the form of an amendment to the budget for said fiscal year.

The details of this amendment, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., January 22, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1949 in

2 SUPPLEMENTAL ESTIMATE FOR DEFENSE TRANSPORTATION

the amount of \$445,000 for the Office of Defense Transportation, in the form of an amendment to the budget for said fiscal year, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF DEFENSE TRANSPORTATION

On page 66 of the Budget, column 1, insert immediately after the closing bracket at the end of the first paragraph, the following:

Salaries and expenses: For expenses necessary for the Office of Defense Transportation, including salary of the Director at not to exceed \$10,000, and the Deputy Director at \$10,000; personal services in the District of Columbia; not to exceed \$54,000 for travel expenses, including expenses of attendance at meetings concerned with the work of the agency; not to exceed \$6,500 for printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and not to exceed \$2,000 for deposit in the Treasury for penalty mail (39 U. S. C. 321d); \$445,000: *Provided*, That the payment of subsistence to witnesses shall be subject to certification by the Director of the Office of Defense Transportation or his designee, as to the necessity therefor: *Provided further*, That in operating any commercial railroad or truck line the Office of Defense Transportation shall pay whatever license or inspection fees and highway use compensation taxes such lines would have been obligated to pay had they continued in operation under the control of the owners thereof----- (increase) -- \$445, 000

Public Law 395, approved December 30, 1947, continues powers of the Office of Defense Transportation to February 28, 1949. Authority to approve voluntary agreements among affected interests for allocation of transportation facilities and equipment, also provided by the statute, was delegated to the Office of Defense Transportation by Executive Order 9919 of January 3, 1948.

This estimate provides funds for operations through February 28, 1949. Provision was made for this item as an anticipated supplemental appropriation in the budget for the fiscal year 1949.

Marked improvement has been effected in freight-car production through activities of the Office of Defense Transportation. Moreover, through its service orders and the efforts of its service agents to minimize delays in the movement of freight cars, a significant contribution has been achieved in increased utilization of existing transportation facilities. Continuing extraordinary demand for railroad facilities will require equally intensive activity to implement the agency's drive for further increases in freight car construction and to expedite freight-car movements.

The foregoing amendment to the budget for the fiscal year 1949 is required because of new legislation enacted subsequent to the consideration of the annual estimates for that year. I recommend that it be transmitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



REVISED ESTIMATE OF APPROPRIATION FOR THE
ATOMIC ENERGY COMMISSION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REVISED ESTIMATE OF APPROPRIATION FOR THE ATOMIC
ENERGY COMMISSION FOR THE FISCAL YEAR 1949

APRIL 7, 1948.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, April 6, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a revised estimate of appropriation for the Atomic Energy Commission for the fiscal year 1949, in the form of an amendment to the budget for said fiscal year. This revision involves a deferment of appropriations in the amount of \$75,000,000 which will be required in later years to liquidate contracts entered into in 1948.

This revised estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., April 6, 1948.

The PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration a revised estimate of appropriation for the fiscal year 1949 involving a decrease of \$75,000,000 for the Atomic Energy Commission, in the form of an amendment to the Budget for said fiscal year, as follows:

ATOMIC ENERGY COMMISSION

On page 74 of the Budget, column 1, decrease the amount of estimate for "Salaries and expenses, Atomic Energy Commission" from "\$625,000,000" to "\$550,000,000"----- (decrease)--- \$75, 000, 000

Since the original budget estimates for the fiscal year 1949 were submitted to Congress, the Atomic Energy Commission has made a complete review of its programs and financial requirements for the last half of fiscal year 1948 and for the whole of fiscal year 1949. As a result of this review, the amounts shown in the 1949 budget to cover additional requirements for fiscal year 1948 have already been adjusted by amended estimates which have been submitted to the Congress. The proposed revision of the 1949 estimates is consistent with the adjustment of the 1948 supplemental requirements and reflects a reduced need for appropriations to liquidate prior year contract authority. It does not reduce the authority to incur new obligations in fiscal year 1949.

I recommend that the foregoing revised estimates be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,

Director of the Bureau of the Budget.

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REVISED ESTIMATES OF APPROPRIATION FOR THE
UNITED STATES MARITIME COMMISSION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REVISED ESTIMATES OF APPROPRIATION FOR THE FISCAL YEAR
1949 INVOLVING AN INCREASE OF \$20,341,879 IN CASH AND
\$44,822,000 IN CONTRACT AUTHORIZATION, TOGETHER WITH
CERTAIN PROPOSED PROVISIONS AND INCREASES IN LIMITA-
TIONS FOR THE UNITED STATES MARITIME COMMISSION, IN
THE FORM OF AMENDMENTS TO THE BUDGET FOR SAID FISCAL
YEAR

APRIL 19, 1948.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, April 16, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress revised estimates of appropriation for the fiscal year 1949 involving an increase of \$20,341,879 in cash and \$44,822,000 in contract authorization, together with certain proposed provisions and increases in limitations for the United States Maritime Commission, in the form of amendments to the Budget for said fiscal year.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., April 13, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration revised estimates of appropriation for the fiscal year 1949 involving an increase of \$20,341,879 in cash and \$44,822,000 in contract authorization, together with certain proposed provisions and increases in limitations for the United States Maritime Commission, in the form of amendments to the Budget for said fiscal year, as follows:

UNITED STATES MARITIME COMMISSION

On page 129 of the Budget, columns 1 and 2, delete the entire item for "Salaries and expenses" and insert in lieu thereof:

Salaries and expenses: For expenses necessary for carrying into effect the Merchant Marine Act of 1936 and other laws administered by the United States Maritime Commission, \$95,321,000, within limitations as follows:

Administrative expenses, including personal services in the District of Columbia; printing and binding; not to exceed \$2,000 for newspapers and periodicals; not to exceed \$18,750 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$40,000 for deposit in the Treasury for penalty mail (39 U. S. C. 321d); and not to exceed \$1,125 for entertainment of officials of other countries when specifically authorized by the Chairman; in all, not to exceed \$12,243,000; New ship construction, including reconditioning and betterment, \$39,858,000; and, in addition, the Commission is authorized to enter into contracts for new ship construction in an amount not to exceed \$60,142,000: *Provided*, That all authority granted to incur obligations for these purposes during 1948 and prior fiscal years not exercised prior to July 1, 1948, is hereby revoked, except that not to exceed \$84,000,000 of the funds appropriated for "New ship construction" in the Independent Offices Appropriation Act, 1948, shall continue to be available until September 30, 1948;

Maintenance of shipyard facilities, \$529,000;
Operation of warehouses, \$792,000;
Operating differential subsidies, \$30,000,000;
Reserve fleet expense, \$10,814,000;
Maintenance and operation of terminals, \$585,000;
Miscellaneous expenses, including payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), \$500,000 (increase) \$19,901,879

On page 137 of the Budget, column 2, delete the entire item for "Vessel operating functions" and insert in lieu thereof:

Vessel operating functions: For expenses (other than administrative expenses) necessary for carrying out, until March 1, 1949, the operating functions transferred to the United States Maritime Commission by section 202 of the Naval Appropriation Act, 1947 (60 Stat. 501), \$39,264,000, of which \$9,629,000 shall be available exclusively for expenses in connection with the return of vessels leased to the Union of Soviet Socialist Republics in accordance with the provisions of the Act of March 11, 1941 (55 Stat. 31): *Provided*, That receipts from such functions during the fiscal year 1949 shall be deposited in the Treasury as miscellaneous receipts (increase) \$440,000

On page 139 of the Budget, column 1, insert the following new paragraph at the beginning of the column:

Notwithstanding any other provision of this Act, the Commission is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Commission, and payments received by the Commission for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

On February 27, 1948, the Congress enacted Public Law 423 continuing until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels. Since the 1949 budget was predicated upon the assumption that these authorities would be continued throughout the entire fiscal year 1949, revision of the budget has become necessary. Activities of the Commission affected by this change include not only vessel operating functions, but also reserve fleet expense and general administrative expense. Provision is made in these revised estimates for vessel operating functions only through February 28, 1949; other activities have been provided for on a full-year basis. No provision has been made for additional expenses inherent in the liquidation of vessel operating activities at this time. When determination is made as to whether vessel operating activities shall be continued during the last 4 months of the fiscal year 1949 or liquidated, a supplemental estimate will be forwarded.

It will be noted that the estimate for vessel operating functions results in a net increase over the original 1949 budget of \$440,000 although provision is made here for only an 8-month period compared with a 12-month period in the 1949 budget. The principal reason for this is the inclusion of \$9,629,000, a new item to provide for the return of 86 vessels lend-leased to the Soviet Union, which amount under recommended appropriation language would be earmarked exclusively for this purpose. A further reason for the increased rate of obligations in the first 8 months is that the movement of vessels from charter to the reserve fleet during this period is expected to be heavier than that forecast originally for the entire year; a factor which also brings about an increase of \$3,305,000 in reserve fleet expense.

The program for new ship construction has been increased from \$39,500,000 to \$100,000,000, involving an increase in cash appropriation from \$24,180,000 to \$39,858,000. This increase is necessary to bring the maritime shipbuilding program into balance with the general plan for national preparedness. Expanded construction of merchant vessels by the Maritime Commission, together with an increased naval construction program and an increased rate of private ship construction (principally for tank vessels), is expected to reverse the downward trend of employment in the shipbuilding industry. At the present time employment in ship construction is estimated at approximately 35,000. In fiscal year 1949, as a result of the factors mentioned, such employment is estimated at approximately 63,000.

A language provision is also recommended which would continue the availability of the unobligated balances of the \$84,000,000 for

new ship construction contained in the Independent Offices Appropriation Act, 1948, for the period July 1 to September 30, 1948. Although invitations for bids are now outstanding it appears that consummation of contracts for the ship-construction program contemplated in that act may not be completed before the close of this fiscal year.

The expanded ship-construction program and adjustments developing in other areas of the Commission's activities require an increase in the limitation for administrative expenses, amounting to \$636,379.

In consonance with the general "state of readiness" program, the Commission has halted declarations of surplus marine equipment. As a result, warehousing expense will require an increase of \$228,500.

An increase of \$54,000 pertains to the reserve shipyard program. This amount is necessary to complete the lay-up of the Bethlehem-Alameda Shipyard in Alameda, Calif. .

Language is recommended similar to that provided the National Military Establishment in Public Law 364 (80th Cong.) to authorize the Commission to furnish utilities, services, and repairs in connection with leased property and to credit reimbursements received therefor to appropriations charged with the cost thereof. Rentals derived from these leases will be deposited into the miscellaneous receipts of the Treasury.

I recommend that the foregoing estimates be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1949 IN THE AMOUNT OF \$13,963,000 FOR THE VETERANS'
ADMINISTRATION

APRIL 30, 1948.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, April 30, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$13,963,000 for the Veterans' Administration in the form of an amendment to the budget for said fiscal year.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 SUPPLEMENTAL ESTIMATE—THE VETERANS' ADMINISTRATION

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., April 29, 1948.

The PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$13,963,000 for the Veterans' Administration in the form of an amendment to the budget for said fiscal year, as follows:

VETERANS' ADMINISTRATION

On page 139 of the Budget, column 2, increase the amount of the estimate for "Salaries and expenses" from "\$936,771,000" to "\$950,734,000" ----- (increase) -- \$13, 963, 000

This estimate consists of \$11,847,000 to adjust average salaries to correspond with recent actual experience and to provide for anticipated terminal-leave payments, and \$2,116,000 for administrative expenses in the Philippine Islands.

Recent information from the Veterans' Administration shows that average salaries paid have increased beyond the figures used in the preparation of the 1949 budget. A portion of this increase is due to reductions in force which have had the effect of retaining employees with greatest seniority and therefore with higher average salary.

The 1949 budget included no amount for operations in the Philippines, due to lack of legislative authority. Public Law 474, approved April 3, 1948, now provides this authority and it is necessary that administrative funds to continue operations in this area be made available.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Acting Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE
HOUSING EXPEDITER

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1949 IN THE AMOUNT OF \$20,500,000 FOR THE HOUSING
EXPEDITER

APRIL 30, 1948.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, April 30, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES:

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$20,500,000 for the Housing Expediter.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 29, 1948.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$20,500,000 for the Housing Expediter, as follows:

HOUSING EXPEDITER

Salaries and expenses, Office of the Housing Expediter: For expenses necessary to carry out the functions of the Office of the Housing Expediter, including personal services in the District of Columbia; attendance at meetings of organizations concerned with rent control; hire of passenger motor vehicles; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$205,000 for deposit in the Treasury for penalty mail (39 U. S. C. 321d); not to exceed \$5,000 for payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); and health service program as authorized by law (5 U. S. C. 150); \$20,500,000: *Provided*, That any employee of the Office of the Housing Expediter is authorized and empowered, when designated for the purpose by the Housing Expediter, to administer to or take from any person an oath, affirmation, or affidavit when such instrument is required in connection with the performance of the functions or activities of the Housing Expediter.

At the time the budget for the fiscal year 1949 was submitted to the Congress, the Housing Expediter was operating under the provisions of the Housing and Rent Act of 1947, which provided for rent control and certain other activities until its termination date, February 29, 1948, with liquidation to be accomplished by June 30, 1948. Accordingly, no detailed estimate of appropriation for fiscal year 1949 for the Housing Expediter was included in the budget, although it did take into account the need for this estimate. The act of February 27, 1948, extended the Housing and Rent Act of 1947 to March 31, 1948, and the Housing and Rent Act of 1948, Public Law 464, approved March 30, 1948, provided for rent control and certain other activities until April 1, 1949, with liquidation thereafter.

Major activities of the Housing Expediter in fiscal year 1949 will involve rent control and the investigation and prosecution of violations of veterans' housing regulations. Certain provisions of the act may materially increase the work load of the office. New functions have been added to local advisory boards, requiring additional clerical assistance and office services from regional housing expeditors and area rent offices. Injunctive powers of the Expediter have been strengthened in an effort to eliminate illegal eviction of tenants, and landlords' petitions for rent adjustments are to be expedited to the greatest possible extent.

I recommend that the foregoing supplemental estimate be transmitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Acting Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATE OF APPROPRIATION
FOR THE WAR ASSETS ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1949 IN THE AMOUNT OF \$106,912,000 FOR THE WAR ASSETS
ADMINISTRATION

MAY 12, 1948.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 12, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$106,912,000 for the War Assets Administration.

This estimate, which provides for the costs of disposition of domestic surplus property, is based upon existing surplus property legislation. The enactment of legislation incorporating the recommendations contained in my message of March 5, 1948, to the Congress would make it possible to submit a revised estimate for this program, showing substantial savings in cost.

Further details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 SUPPLEMENTAL ESTIMATE FOR WAR ASSETS ADMINISTRATION

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 12, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$106,912,000 for the War Assets Administration, as follows:

WAR ASSETS ADMINISTRATION

Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not to exceed \$106,912,000 for the fiscal year 1949 for necessary expenses of the War Assets Administration established by Reorganization Plan No. 1 of 1947, for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies for the care and handling (including pay and allowances and subsistence of military and naval personnel) of surplus property subsequent to the filing of a declaration of surplus covering such property with a disposal agency designated by the Administrator, or, if the Administrator prescribes procedures whereby declarations of surplus are made at approximately the time of disposal or removal, subsequent to notice by the owning agency to the disposal agency that property has been determined to be surplus and is subject to such procedures, such funds to be available for personal services in the District of Columbia; fees and mileage of witnesses at rates provided by law for witnesses attending in the United States courts (28 U. S. C. 600c); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and other special services and reports by contract without regard to section 3709 of the Revised Statutes, as amended, including real estate brokers and appraisers at rates of pay or fees not to exceed those usual for similar services; health service program as authorized by law (5 U. S. C. 150) (not to exceed \$73,000); acceptance and utilization of voluntary and uncompensated services; printing and binding; expenses of attendance at meetings of organizations concerned with the work of the Administration; procurement of supplies, equipment, reports, and services in connection with the care, handling, and disposition of surplus property without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon determination by the Administrator or by any official designated by him for this purpose that such method of procurement is necessary; purchase and procurement of reports of experts or consultants or organizations thereof; advertising, including radio time; maintenance, operation, and repair of aircraft in the Territories and possessions in connection with disposal activities and, in the continental limits of the United States in connection with the disposition of aircraft and airports; acquisition of buildings, lands, leaseholds, and other interests therein, and temporary use thereof for the care, handling, and disposition of surplus property; payments to States or political sub-divisions thereof of sums in lieu of and equivalent to taxes accruing against real property declared surplus to the Administration by Government corporations; advance of funds to Administration cashiers and collection officials upon furnishing bond, for the purpose of handling cash transactions and making change at surplus property sales: *Provided*, That any employee of the War Assets Administration is authorized, when designated for the purpose by the Administrator, to administer to or take from any person an oath, affirmation, or affidavit, when such instrument is required in connection with the performance of the functions or activities of the War Assets Administration: *Provided further*, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and

make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation: *Provided further*, That funds appropriated herein shall be subject to the general provisions of titles I and II of the Independent Offices Appropriation Act, 1949.

The amount recommended is to provide for the costs of disposition of domestic surplus property during the fiscal year 1949. Detailed estimates for this program were not included in the 1949 Budget; however, a tentative amount to cover these expenses was included in the summary tables of the Budget.

The recommended estimate is based upon existing surplus-property legislation. Should legislation be enacted at an early date conforming to the recommendations contained in your message of March 5, 1948, to the Congress, and embodied in the draft statute submitted by the Federal Works Administrator, a revised estimate showing savings of approximately \$12,000,000 will be promptly submitted.

I recommend that the foregoing estimate of appropriation be submitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Acting Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION
FOR THE VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1949, IN THE AMOUNT OF \$310,122,000, FOR THE VETERANS'
ADMINISTRATION

MAY 24, 1948.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 21, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949, in the amount of \$310,122,000, for the Veterans' Administration in the form of an amendment to the Budget for said fiscal year.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 21, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1949, in the amount of \$310,122,000, for the Veterans' Administration in the form of an amendment to the Budget for said fiscal year, as follows:

VETERANS' ADMINISTRATION

Bud- get page	Heading	Original estimate	Change to—	Increase
146	Readjustment benefits.....	\$1, 918, 905, 000	\$2, 229, 027, 000	\$310, 122, 000

¶ This estimate is necessitated by the higher rates of subsistence allowances authorized by Public Laws 411 and 512 of the Eightieth Congress.

It is probable that increased enrollment of veterans above the levels forecast in the 1949 Budget will result from these laws. No funds are included in this estimate, however, for increased enrollment, since the extent of the increase is not now known. During the course of fiscal year 1949, after the full effects of these laws are evident, it may become necessary to submit another supplemental estimate of appropriation.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE VETERANS' ADMINISTRATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1949, IN THE AMOUNT OF \$4,021,000, FOR THE VETERANS'
ADMINISTRATION

MAY 27, 1948.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 26, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1949, in the amount of \$4,021,000, for the Veterans' Administration, in the form of an amendment to the Budget for said fiscal year.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 SUPPLEMENTAL ESTIMATE FOR VETERANS' ADMINISTRATION

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 26, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1949, in the amount of \$4,021,000, for the Veterans' Administration, in the form of an amendment to the Budget for said fiscal year, as follows:

VETERANS' ADMINISTRATION

Budget page	Heading	Estimate as previously amended	Change to—	Increase
139	Salaries and expenses.....	\$950, 734, 000	\$954, 755, 000	\$4, 021, 000

This estimate consists of \$2,851,000 for administrative expenses in conducting an audit of insurance premium record cards, and \$1,170,000 for increased payments to State homes.

The proposed audit of insurance premium record cards will assist the Veterans' Administration in providing satisfactory service to veterans who have maintained their national service life insurance, and is one of the necessary preliminary steps toward the payment of the initial dividend on this insurance. The estimate of \$2,851,000 included herein covers only the portion of this work which cannot be performed within the amount previously recommended.

The amount of \$1,170,000 for increased payments to State homes for veterans residing therein and who are eligible for care by the Veterans' Administration is necessitated by the enactment of Public Law 531, approved May 18, 1948.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

FRANK PACE, JR.,
Acting Director of the Bureau of the Budget.



[COMMITTEE PRINT]

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

80TH CONGRESS { HOUSE OF REPRESENTATIVES { REPORT
2d Session { No. 2245

SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL, 1949

JUNE 8, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WIGGLESWORTH, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. —]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Office of Defense Transportation, Atomic Energy Commission, Office of the Housing Expediter, the United States Maritime Commission, Veterans' Administration, and for surplus property disposal, for the fiscal year 1949.

SCOPE OF THE BILL

The bill provides appropriations for the Office of Defense Transportation, Atomic Energy Commission, Office of the Housing Expediter, United States Maritime Commission, Veterans' Administration, and for surplus property disposal, estimated for in the Budget for 1949, pages 43 to 161, inclusive, and in House Documents Nos. 507, 597, 618, 630, 631, 648, 673, and 681.

APPROPRIATIONS AND ESTIMATES

A tabulation appears at the end of this report showing each appropriation recommended for the fiscal year 1949, the amount appropriated for the fiscal year 1948, and the budget estimates for the fiscal year 1949, together with the increase or decrease in appropria-

tions and estimates as compared with the amounts recommended in the bill.

A summary of the totals in the tabulation is as follows:

The budget estimates for 1949-----	\$6, 299, 619, 000
Recommended in the bill-----	5, 795, 048, 931

The reductions made by the committee-----	504, 570, 069
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The bill as reported shows a reduction of \$1,841,936,419 below the total of the 1948 appropriations for similar purposes.

Permanent appropriations, general, special, and trust accounts.—The permanent appropriations are those which occur automatically each year without annual action by Congress, have been created specifically by Congress in previous years, continue as such until modified or discontinued, and are largely beyond the jurisdiction of the Committee on Appropriations. A tabular statement of such funds will be found at the end of this report.

OFFICE OF DEFENSE TRANSPORTATION

The committee recommends \$340,000 for the Office of Defense Transportation, a reduction of \$105,000 from the budget estimate of \$445,000. The appropriation for fiscal year 1948 for this Office was \$410,000, of which it was testified approximately \$406,000 will be expended. The amount in this bill is for the period from July 1, 1948, to February 28, 1949, inclusive, inasmuch as Public Law 395 of the Eightieth Congress, the legal authority on which this Office bases its present existence, expires on the latter date. Of the \$340,000 recommended, \$60,000 is to be used exclusively for terminal leave. Since the appropriation for the fiscal year 1948 was on a 12 months' basis and the amount which the committee recommends for fiscal year 1949 is for only 8 months, the amount for 1949 is actually proportionately greater than that for the current year. The Office of Defense Transportation, in justification of its continued existence, contends that if its functions were turned over to the Interstate Commerce Commission these functions would not be carried on as efficiently or rapidly and that more records would have to be kept. This argument appears to be not so much a justification for the continuation of the Office of Defense Transportation as an indictment of the efficiency of the Interstate Commerce Commission. It is the belief of the committee that this Office, like most so-called temporary agencies, will never terminate without positive action by the Congress. When questioned specifically by the committee as to the possible end of the Office of Defense Transportation, the Director replied:

The end is this: When we can see a program of ears being built to take care of the situation and when we have no emergency, the Office of Defense Transportation can be closed.

ATOMIC ENERGY COMMISSION

The committee is not satisfied with its relations to date with the Atomic Energy Commission. The committee is fully aware of the vital importance, particularly under present world conditions, of the work of the Commission and of the technical aspects connected with it, and is desirous of making every provision for its adequate support. However, the Commission's refusal to furnish the committee with

information and appraisals of its various budgeted items, based on technical information which can be available only to the Commission, because of the scientific and secret character of the work involved, leaves much to be desired in establishing the confidence which the committee must have if it is to continue to supply these large grants of funds under conditions of secrecy which prevent full disclosure of the details involved.

As a matter of fact, there is some feeling among the membership of the committee that the Commission has taken advantage of its strategic position in modern military defense to avoid facing the practical realities on less important and subsidiary elements of their budget. The impression left with the committee is one of general extravagance.

The committee recommends \$501,850,000, which is a reduction of \$48,150,000 in the budget estimate but is an increase of \$326,850,000 over the appropriation for the fiscal year 1948. In addition to the cash appropriation, contract authority in the amount of \$400,000,000 is recommended.

The committee specifically recommends a reduction of \$6,400,000 in the item, "Administrative expenses." Such a reduction will leave a total of \$26,473,213 available, which is slightly above the amount provided in 1948. Careful check by the committee of the administrative structure of the Commission, as compared with other agencies of the Government, leads to the conclusion that the Commission has indulged itself lavishly in this regard. The Commission is exempt from many requirements imposed on other agencies of the Government and the Commission's work is simplified on that account. The Congress, in allowing a single item budget, with few limitations and restrictions, has conferred on the Commission a degree of authority and autonomy which normally does not obtain and which should be so administered by the Commission as to assure a stewardship above reproach. The establishment of a lavish administrative structure does not impress the committee as comporting with the appropriate use of these broad authorities.

A reduction of \$2,700,000 in town operations is recommended. A scrutiny of the information submitted to the committee indicates that the Commission has not achieved any real comparability between the three communities operated either in their accounting or financial reporting and that it has not apparently achieved any satisfactory common denominator for the various types of expenses involved to regulate the actual outlays of the three communities. By comparison with statistics compiled by the Department of Commerce, relating to comparable per capita costs for 200 cities of from 25,000 to 50,000 population, the costs of the three communities are very much out of line.

The estimated obligation for fiscal year 1949 for construction of housing and community facilities is \$70,709,673. Cost figures under this project are also out of line with costs in other similar projects. It is the opinion of the committee that a substantial reduction can be made in this item. The committee also believes that an adjustment can be made in the item for research in the nonweapon, nonbiological, and nonmedical phases of the research and development program.

For the fiscal year 1948 the Commission received contract authorizations totaling \$400,000,000, of which \$150,000,000 was included in

the First Deficiency Appropriation Bill which became law on May 10, 1948. For the fiscal year 1949, the budget recommends, and the committee has approved, an additional contract authorization of \$400,000,000. Of the direct cash appropriation for 1949, \$250,000,000 was intended to liquidate a part of the contract authorization granted for the fiscal year 1948. In the original budget this figure was \$325,000,000 but was subsequently reduced by the Commission itself to \$250,000,000 inasmuch as it had become obvious that the full amount of cash would not be required. A recheck of the matter currently leads the committee to the conclusion that the full amount of the \$250,000,000 may not be required for these purposes during 1949, and a substantial portion of the reduction imposed by the committee may be absorbed in this item.

The reductions imposed by the committee are to be absorbed in other items without affecting the military phases.

HOUSING EXPEDITER

The committee recommends \$15,172,100 for the Office of the Housing Expediter. This is a reduction of \$5,327,900 under the budget estimate and is a reduction of \$9,026,900 under the appropriation for 1948.

The Office of the Housing Expediter was established as an independent agency of the Government on January 12, 1947, by Executive order. The term "Housing Expediter" is a misnomer in that the present functions of the agency have nothing to do with the expediting of any house construction. The existing duties of this Office are the operation of rent control under the Housing and Rent Act of 1948 and the investigation of violations of the Veterans Emergency Housing Act of 1946. This act is now inoperative so far as new work is concerned and there remains only a few months of work in connection with completion of projects. The investigative authority of this office is limited to those houses built under the provisions of the Veterans Emergency Housing Act of 1946 and does not extend to any houses built since the expiration of that act. The committee is desirous of seeing that violations of law in connection with veterans' housing are investigated but the authority of the Housing Expediter is in a rather limited area. As of June 3, 1948, there were 60 employees engaged in field compliance. Funds recommended herein will enable the office to employ a total of approximately 360 people for field compliance. Funds for an additional 244 positions have been denied.

It is the belief of the committee that more emphasis should be placed on the investigative staff than on the legal division inasmuch as the prosecution of the cases is the duty of the United States Attorneys.

No reductions have been made in the personnel requested for the operation of rent control.

The amount recommended is for a 9-month period since the Housing and Rent Act of 1948 expires on April 1, 1949.

The entire amount of \$4,132,900 included in the budget estimate for liquidation costs has been eliminated. When the Office is to be liquidated, consideration will be given to the necessary appropriation. The Office is of such size that liquidation of its activities should be made the subject of a separate budget study in the light of circumstances as they exist when liquidation is impending. Likewise, the amount for penalty mail has been eliminated.

UNITED STATES MARITIME COMMISSION

Salaries and expenses.—The committee recommends \$68,360,775 for this item, a reduction of \$26,960,225 in the budget estimate. In addition, there is recommended contract authority in the amount of \$75,000,000 which is \$14,858,000 above the budget estimate. Funds for these purposes formerly were made available from the construction revolving fund.

The functions carried on under this item, together with the budget estimates and the amounts recommended by the committee, are set forth in the following table:

Function	1949 budget estimate	Recommended by the committee
1. Ship construction and betterments.....	\$100,000,000	\$104,000,000
Less amount for contract authority.....	60,142,000	75,000,000
Amount of current appropriation.....	39,858,000	29,000,000
2. General administrative expenses.....	12,243,000	10,600,000
3. Reserve fleet expenses.....	10,814,000	9,663,000
4. Maintenance of commission-owned shipyards.....	529,000	529,000
5. Warehouse operating expenses.....	792,000	792,000
6. Maintenance and operation—Government-owned terminals.....	585,000	585,000
7. Operating differential subsidies.....	30,000,000	16,691,775
8. Reserve for claims and miscellaneous expenses.....	500,000	500,000
Total.....	95,321,000	68,360,775

It is to be noted from the above table that the combined appropriation and contract authority for ship construction and betterment is \$4,000,000 above the amount recommended in the budget. The committee specifically recommends that \$5,000,000 of contract authority be used for plans and specifications for vessels deemed necessary to the national defense. The Commission is requested to consult and advise with the Secretary of Defense as to all new ship construction so that the maximum benefits to the national defense will be derived from the shipbuilding program.

In addition to the \$104,000,000 herein recommended for ship construction and betterment, the bill includes a provision extending the availability of \$84,000,000 for ship construction and \$15,000,000 for betterments made available for that purpose for fiscal year 1948 until September 30, 1948.

A reduction of \$1,643,000 is recommended in the item, "General administrative expenses" and the committee is certain that the sum of \$10,600,000, which is included in the bill, will be adequate. The investigator's report on this agency especially pointed out that overstaffing, and both useless and inefficiently conducted work, existed particularly in the "Field audits division." The surplus personnel in this division might well be transferred and utilized to better advantage in eliminating accounting and inventory backlogs carried over from the war period.

The amount of \$1,151,000, which it was testified was included in the Reserve Fleet expense estimate for drydocks, is eliminated. While information was set forth in the justification of the Maritime Commission that the Navy had designated three suitable drydocks for commission use in January 1948, a copy of a letter directed to the chairman of the Maritime Commission under date of May 4, 1948,

from the Department of the Navy was furnished the committee which stated as follows:

Pending final decision on the strategic requirements, the Department hereby withdraws its offer of floating drydocks to the Commission.

A total of \$16,691,775, which is a reduction of \$13,308,225 under the budget estimate, is recommended for operating differential subsidies. It was testified that this amount would be sufficient in view of the plan recently worked out whereby cash subsidies are to be paid to the extent that they are not now prospectively recapturable with the exception that a 5 percent "token" payment will in any event be paid currently to the operator subject to 100 percent estimated recapture.

A proviso, originally inserted in the act for 1948, authorizing the Commission to make allowances to purchasers of vessels for the cost of reconversion rather than bear the cost of reconversion out of appropriations, is being continued in the act for 1949. It has come to the attention of the committee that this provision has been construed as requiring the purchaser to make full payment of the minimum amount required under the Ship Sales Act to the Commission and also to put up the funds for cost of reconversion, thereby requiring payments in cash above the amounts otherwise required by the Ship Sales Act. It was the intention of the committee, in approving the original provision in the 1948 act, to permit the down payment to be computed against the combined total of purchase price plus cost of reconversion in the same manner as if the Commission were paying the cost of reconversion.

It has been suggested to the committee that funds provided through the construction fund of the Commission should be used for construction or conversion of boats for special purposes, particularly new ore boats for the Great Lakes, passenger boats for which hulls already constructed for the Pacific trade might be used, and a new design, speedy cargo and passenger type boat to be used experimentally on the west coast.

The committee recognizes the fact that there is merit in these proposals. It is suggested that the Maritime Commission give early and careful consideration to the proposals in determining the construction program for the fiscal year 1949, within the funds herein made available.

It was also suggested to the committee that the authority to reconvert ships, which were changed in type for wartime use, and which now are undergoing reconversion to their original type, be extended to permit conversion of such ships, particularly ships of the C-4 type, to types different from their original construction. The committee is not unfavorable to the idea, but does not believe that the matter should be handled in the appropriation bill at this time. It is the opinion of the committee that the Maritime Commission should present its views in this connection to the House Committee on Merchant Marine and Fisheries.

Maritime training fund.—The committee recommends a total of \$8,133,080 for this item. This represents an increase of \$1,265,080 over the budget estimate and an increase of \$813,080 over the appropriation for 1948. The increase recommended by the committee allows \$600,000 for the Cadet School at Pass Christian, Miss. It

also increases by \$251,000 the amount to be allocated for pay and subsistence of cadets at State maritime academies, thus increasing the number of cadets from 750 to 900.

The increase will allow the training of 1,000 cadet midshipmen at the United States Merchant Marine Academy at Kings Point, N. Y., instead of the 827 estimated in the budget.

The amount recommended herein will also allow normal operation of the training stations at St. Petersburg, Fla.; Sheepshead Bay, N. Y., and Alameda, Calif., and the Maritime Service Institute.

State marine schools.—The bill contains \$400,000 for this item. Of this amount \$200,000 is to reimburse the States of California, Maine, Massachusetts, and New York for expenses incurred in the maintenance and support of marine schools in such State; and \$200,000 is for the maintenance and repair of vessels loaned by the United States to the above States for use in connection with the State maritime schools.

Vessel operating functions.—The bill includes \$25,483,976 for this item, a reduction of \$13,780,024 from the budget estimate. These activities have been carried on in prior years under the item "Operation of War Shipping Administration." The amount recommended is for an 8-month period inasmuch as the authority for operation terminates on February 28, 1949.

The budget estimate and the amount recommended by the committee for each function, are set forth in the following table:

Function	1949 budget estimate	Amount recommended by committee
1. Passenger vessel operations.....	\$14,412,680	\$14,412,680
2. Lend-lease vessels from U. S. S. R.....	9,629,000	
3. Towage.....	1,886,000	1,886,000
4. Maintenance of immobilized vessels.....	246,500	246,500
5. Reserve fleet—entry.....	4,711,168	3,560,144
6. Reserve fleet—exit.....	441,660	441,660
7. Vessel repairs.....	3,525,000	3,525,000
8. Sundry expenses.....	411,992	411,992
9. Reserve for contingencies, including claims.....	4,000,000	1,000,000
Total.....	39,264,000	25,483,976

Pending final agreement for the return of the 86 vessels still remaining in the hands of Russia as a result of lend-lease agreements, no specific appropriation therefor is being recommended. This will in no way disturb the legal authority of the Maritime Commission to meet the situation if and when the vessels are returned. The reduction of \$1,151,024 in the function "Reserve Fleet—Entry" is the estimated cost of handling the 86 vessels previously mentioned. The amount of \$1,000,000 recommended for "Reserve for contingencies including claims" is believed adequate in view of the relatively small number of vessels to be operated.

VETERANS' ADMINISTRATION

The committee recommends a total of \$5,125,309,000 and contract authority of \$43,000,000 for the Veterans' Administration for fiscal year 1949. The details as to each of the appropriation items are contained in the ensuing paragraphs.

Administration, medical, hospital and domiciliary services.—The committee recommends \$936,755,000 for this item, an increase of \$35,714,220 over the amount approved for the fiscal year 1948. No reduction has been made in the budget estimate for this item with the exception of a reduction of \$18,000,000 which represents the operating costs of the 13 branch offices for one quarter inasmuch as funds for the operation of these offices are provided herein for only a 9-month period. Appropriation of the funds for the operation of branch offices for the final 3 months of the fiscal year 1949 is being held in abeyance pending receipt of an over-all report to the committee on or before December 1, 1948, from General Gray, the Administrator, of his recommendations based upon an extensive field examination which he is now making. The committee has received a considerable number of reports from individual veterans and veterans' organizations criticizing the present organizational structure of the Veterans' Administration, particularly as to the branch offices and in many instances recommending their elimination.

Both last year and this year the committee has had the advantage of reports of highly trained, competent investigators who have indicated the possibility of far better service to the veterans at greatly reduced costs through reorganization, and other economies in administration. These reports have been called to the attention of the Administrator and, at his request, have been temporarily laid aside pending the completion of his over-all examination in the field.

This appropriation covers all expenses including salaries and operating costs of the central office in Washington and its New York branch; 13 branch offices; 70 regional offices, of which 9 are located at hospitals; 85 subregional offices; 475 contact offices; 4 supply depots; 3 publication depots; 2 special offices (Guam and Panama); and for the cost of operating 135 hospitals of which 12 are for domiciliary activities, a total of 789 Veterans' Administration stations. This appropriation also covers the cost of travel and examination and treatment of beneficiaries on a fee basis; repairs and alterations to hospitals and homes and other property housing Administration activities; payments to contract institutions and other Government hospitals wherein Veterans' Administration patients are hospitalized; reimbursement to States for veterans cared for in State soldiers' homes; payment of contract burial expenses; and the cost of administration in connection with the national service life insurance, vocational rehabilitation, education and training, readjustment allowance, compensation and pensions, and loans.

The amount recommended for the fiscal year 1949 includes, in addition to the regular 1949 estimate, supplemental amounts for the operation of the Veterans' Administration office in the Philippine Islands (Public Law 474, 80th Cong.); for adjustments in the average salary costs of employees based on current operating experience; for increased payments to state homes for Veterans' Administration beneficiaries hospitalized therein (Public Law 531, 80th Cong.); and for the additional cost involved in making an audit of the premium accounting records of the Veterans' Administration insurance service in order that these records may be placed in such condition as to permit satisfactory service to be rendered to policyholders.

The committee wishes to emphasize the fact that substantial increases are provided in funds requested for medical care for those

eligible, and that no reductions have been made in budget requests for this purpose. The bill carries an increase of \$74,833,602 over the amount provided in this respect for the current year.

The Committee on Appropriations included in the first deficiency bill for 1948, reported on March 30, 1948, \$3,000,000 for personnel in the Veterans' Administration and made the following statement (H. Rept. 1618) with respect thereto:

The Administrator of Veterans' Affairs recently ordered a reduction of approximately 8,500 out of a total of more than 210,000 personnel employed by the Veterans' Administration. Complaint has been made from various sections of the country that this reduction will greatly interfere with the proper administration of the veterans' benefits programs. The Administrator stated that he had a twofold purpose. In the first place he had discovered that in order to stay within funds available during the current year a substantial reduction would have to be made. Furthermore, the budget for the fiscal year 1949, which has not yet been acted upon by the Congress, would require a reduction to the extent proposed by the Administrator and it was his judgment that it would be far better to make such reduction during the current year and thereby be in a position to maintain a fairly static level of employment during the next fiscal year. The committee has sought to determine the facts in the matter and has had the Administrator before it on two occasions to discuss the question.

General Gray's testimony indicates that the proposed reduction does force the elimination of some 3,000 employees which, in his judgment, are actually needed to carry on the type of service which the Administration should be in a position to render if it is to administer effectively the various benefit acts. The salaries of these 3,000 employees to the end of the fiscal year will require \$3,000,000, which amount the committee recommends for appropriation. The committee has not attempted to allocate these employees among the various functions and services, but will rely upon the Administrator to make the allocation on such basis as will meet acute needs and relieve critical areas, including the hospitalization program, of problems resulting from personnel shortages.

Provision for these additional employees during the remainder of this fiscal year will make it necessary to provide the funds for their salaries in addition to estimates for 1949 or to include in the 1949 appropriations, in excess of the estimates, the funds necessary to pay the cost of their terminal leave and separation from the service. These alternatives will be considered by the committee in connection with the 1949 budget.

The Budget Bureau refused to approve an estimate for additional funds in 1949 based on this allowance of 3,000 employees. The committee has inquired into the situation and learns that, of the 3,000 employees, 1,750 were allocated to general administration and 1,250 to the medical program. So far as the medical program is concerned, the addition of 1,250 employees to the April 30 total employment, which was the low point during the year, leaves an increase of approximately 15,000 in 1949 over the April 30 figure plus the 1,250 allowed in the deficiency bill. Dr. Magnuson testified that he could operate the hospitals at 86.17 percent of capacity with the number of personnel allowed in the budget. He further stated that he considered that any higher percentage would result in decreased efficiency and effectiveness. It is the committee's judgment that every effort should be made to maintain the necessary service within the limits suggested by Dr. Magnuson.

So far as general administration is concerned, the addition of 1,750 people to the April 30 total produces a total employment of approximately 100 above the 1949 figures. However, not all of the 1,750 have been employed and there are adequate funds in the budget to carry all employees currently on the rolls. At the time the deficiency, for which there was no budget estimate, was under consideration, the

committee was informed by Veterans' Administration officials that there would be a deficiency for the year, resulting from the medical facility operations, of something like \$12,000,000 in addition to the \$3,000,000 specifically allowed for new personnel. It now develops, however, that not only will there be no deficiency this year but very little of the \$3,000,000 will be required. The Administration reduced its employment by 8,500 and stated as its purpose the necessity of getting employment down to numbers which could be supported with the 1949 budget estimates. Subsequent developments indicate that a reduction in that magnitude was not necessary to meet the 1949 figure.

The situation described above is only one of a number of instances wherein difficulty has been experienced in analyzing the appropriation for salaries and expenses of the Veterans' Administration. The charge has been made that Congress had failed to appropriate adequately for the Veterans' Administration hospitals and other services to veterans when the real difficulty lay in the administration by the officials of the Veterans' Administration of this large unwieldy fund. In order that the budget may show explicitly the amounts intended to be provided for the various activities, the committee requests that in submitting estimates for the fiscal year 1950 amounts for maintenance of hospitals and domiciliary facilities be segregated and estimated for separately from the administrative expenses. It is further requested that the hospital and domiciliary service item be presented on such basis as to show clearly the numbers of medical personnel and attendants actually caring for patients as distinguished from those engaged in building maintenance and other service activities.

Printing and binding.—The bill includes \$3,148,000 for this purpose, a decrease of \$3,852,000 under the appropriation available for 1948 and a decrease of \$1,000,000 in the budget estimate. While the appropriation for this item for 1948 totaled \$7,000,000 it was testified that only one-half of that amount, or \$3,500,000 will be obligated in the fiscal year 1948.

Army and Navy Pensions.—The bill includes \$1,898,000,000 for the payment of compensation and pensions, which is \$50,000,000 less than the budget estimate. The Veterans' Administration estimates that they will have a balance available as of July 1, 1948, of \$156,571,859, which together with the amount recommended in this bill will make a total of \$2,054,571,859 available for fiscal year 1949. This is approximately the amount which it is estimated will be obligated for this item during the current year. This title covers the payment of all compensation, pensions, and allowances to veterans of the various wars of the Regular Establishment and their dependents in accordance with the laws enacted by Congress, and also for the payment of subsistence allowances to disabled veterans receiving occasional rehabilitation under Public Law 16, Seventy-eighth Congress, as amended.

The reduction made in this item will in no way affect the amounts of pensions paid to any veteran inasmuch as such amounts are established by statute, and in the event the appropriation proves inadequate it will be necessary to provide supplemental funds.

It should be pointed out that the Veterans' Administration and the Bureau of the Budget estimates on this item have been far from reliable. The original estimate for the fiscal year 1948 was \$2,490,000,000. After the Committee on Appropriations investigative staff

analyzed the item and conferred with the Veterans' Administration and Bureau of the Budget officials on it, they reduced it \$270,000,000. The Committee on Appropriations reviewed the matter and decided it was still too high and made a further reduction of \$50,000,000, making a total reduction below original estimates of \$320,000,000. Now the committee is advised that the carry-over will amount to almost \$160,000,000. In other words, the original estimates as submitted to the Congress for 1948 were approximately \$480,000,000 above the amount actually required. Therefore, the committee has no hesitancy in making the slight reduction proposed in the 1949 budget.

Readjustment benefits.—The committee recommends \$1,979,027,000 for the payment of benefits to or on behalf of veterans as authorized by titles II, III, and V of the Servicemen's Readjustment Act of 1944, as amended. This is a reduction of \$250,000,000 below the budget estimate. Of this reduction \$200,000,000 is to be applied to the item "Education and Training," and \$50,000,000 to the item "Readjustment Allowances." The amount appropriated for 1948 was \$3,719,860,000, out of which amount it is estimated that \$609,210,541 will be carried forward and available for use in 1949. The reduction of \$50,000,000 on the item for readjustment allowance will in no way affect the payments to the veterans as the amounts of such payments are set by statute. This item provides for the payments to veterans of World War II for total or partial unemployment. The estimate for this item was based on trends established during fiscal year 1947 and the first quarter of 1948.

The committee's attention was called to the situation existing in connection with the education and training program, Servicemen's Readjustment Act. There is quoted herewith a portion of a letter from the Director, Bureau of the Budget, under date of February 18, 1948, in which a copy of a report of the Bureau of the Budget on the Servicemen's Readjustment Act was transmitted:

During the past year, there have been brought to the attention of the Bureau of the Budget certain training activities being conducted under the Servicemen's Readjustment Act which do not appear to be in accordance with the purpose of the act, as contemplated by the Congress. These activities, which involve training for avocational and recreational purposes, are being carried on at a cost of more than \$200,000,000 a year.

To provide a basis for determining whether congressional action appeared desirable in August of 1947, I requested General Bradley to have the Veterans' Administration cooperate in obtaining facts concerning the type of training involved. This material has been brought together in the attached report, which suggests modification of the present act, providing a substantial saving of governmental expenditure without altering its basic purpose. The report has been discussed with the Administrator of Veterans' Affairs, Mr. Carl R. Gray, who believes that review of the existing law for the purposes of clarification is desirable.

The report is related to the statement in the President's recent budget message which reads in part as follows: "* * * The law (the Servicemen's Readjustment Act) is being used in some cases to provide training for avocational or leisure-time activities at high cost to the Government and without commensurate benefit to veterans. * * * A reexamination of the basic purposes of the law and suitable modification of its provisions should result in substantial savings. * * *" The recommendations made in the report are in accordance with the President's program.

The report of the Bureau of the Budget states that there are a number of special courses available to veterans in various States for

which there seems to be little legitimate vocational or occupational justification and further states:

Although many of these special courses can fill a demonstrated vocational need for veterans legitimately interested in special vocational fields, there is no adequate control now possible which permits the separation of those legitimately interested in learning and fitting themselves for an occupation from those who are interested in the subject purely from a hobby or leisure-time standpoint.

The committee recommends the following limitation, prepared at the request of the committee by the Veterans' Administration:

Provided, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character.

It is to be noted that this does not affect any veterans enrolled prior to July 1, 1948, and that the determination as to whether a course is avocational or recreational is vested in the Administrator.

Military and naval insurance.—The bill includes \$5,096,000, which is a decrease of \$4,000,000 in the budget estimate and is a decrease of \$6,054,000 when compared with the appropriation for the fiscal year 1948. The Veterans' Administration testified that it was their belief that a reduction of \$4,000,000 could be made in this item. This appropriation covers payments arising from contracts with World War I veterans for what was known as war risk insurance. Payments now being made are those to veterans who suffered a permanent and total disability as a result of war service or during the postwar period in which they carried this type of insurance; payments to beneficiaries of members of the armed services who died in service or during the postwar period during which this type of insurance was in force; and payment to the United States Government life insurance fund to meet obligations sustained by that fund incident to the extra hazard of military or naval service in the case of persons so engaged while protected by the United States Government life insurance policies.

Hospital and domiciliary facilities.—The committee recommends \$202,000,000 plus \$43,000,000 in contract authority for this item. A reduction of \$28,000,000 in the budget estimate was made on the basis of testimony that the estimated expenditures for fiscal year 1949 would be \$412,000,000 and that as of July 1, 1948, there would be \$210,034,605 available from previous appropriations. The appropriation of \$202,000,000 recommended by the committee when added to the \$210,034,605 available from previous appropriations totals \$412,034,605 which is slightly more than the estimated expenditure. It can be seen from the above figures that the hospital program will not be delayed or retarded in any respect by the reduction recommended by the committee. The \$43,000,000 contract authorization which the committee recommends consists of \$15,000,000 to cover an increase in the estimated cost of the 1947 new hospital program and \$28,000,000 for the 1949 nonbed programs at existing hospitals, consisting of essential major replacements, new construction, and alterations to existing structures.

National service life insurance.—The bill includes the budget estimate of \$49,320,000, which is a reduction of \$12,897,000 under the 1948 appropriation. This item covers payments to the national service life insurance trust fund to meet obligations sustained by that

fund incident to mortality costs on account of deaths traceable to the extra hazards of military or naval service; the cost of waiver of premiums on account of total disability traceable to such extra hazards; cost of waiver of recovery of payments under the provisions of section 609 (a) on national service life insurance policies in accordance with the provisions of part I, title VI, Public Law 801, Seventy-sixth Congress; and the payment of benefits directly from and the crediting of premiums directly to the appropriation under the authority of the act, as amended, August 1, 1946, Public Law 589, Seventy-ninth Congress.

Soldiers' and sailors' civil relief.—The bill includes the budget estimate of \$65,000 for this item. The 1948 appropriation for this purpose was \$833,000 and it is estimated that \$440,563 of this amount will remain available for 1949. The Soldiers' and Sailors' Civil Relief Act of 1940, as amended, provides protection for commercial private life insurance policies carried by servicemen before entry into military service. Arrangement was made through this act whereby premiums becoming due while in service and for 2 years after discharge could be charged as a loan against the policy. The function of the Government is to guarantee to the insurance company the repayment of any indebtedness not liquidated by the insured himself. Any payment made by the Government is a debt owed to the United States by such insured. The number of cases approved for protection as of June 30, 1947, was 89,002.

Veterans' miscellaneous benefits.—The committee has approved the budget estimate of \$51,883,000 for the fiscal year 1949, which covers the cost of payment of burial expenses authorized by Veterans Regulation 9 (a) as amended, and for supplies, equipment and tuition for veterans in training under Public Law 16. The estimated cost of statutory burial allowances is \$11,701,500. The cost of tuition, supplies, and equipment for disabled veterans pursuing courses of training under Public Law 16, Seventy-eighth Congress, as amended, is \$54,973,238. The difference of \$14,791,738 is estimated to be carried forward from the current year's funds. It is estimated that an average of 216,200 will receive vocational rehabilitation during 1949, with an average of 109,500 receiving institutional training and 106,700 receiving job training.

SURPLUS PROPERTY DISPOSAL

The problem of disposing of wartime acquired property, both real and personal, no longer needed by the Government has presented one of the most involved and difficult questions ever to confront the Congress and the executive branch. In the first place, the problem was far from new as demonstrated by the fact that one of the first items of surplus property turned over for disposal when the program began in 1944 was a large quantity of spurs left over from the cavalry of the First World War. From 1944 to date the responsibility for disposition of surplus property has passed successively through the hands of the Surplus War Property Administration, the Surplus Property Board, the Surplus Property Administration, the Reconstruction Finance Corporation and its subsidiary War Assets Corporation, and finally, in 1946, the War Assets Administration where the authority now reposes.

None of these various transfers and reorganizations has attained a satisfactory conclusion. The Surplus Property Act of 1944 and its various amendments established a system of intricate priorities which admittedly were difficult of administration and rendered the movement of property from the hands of the Government to anxiously waiting purchasers a cumbersome process. But, on the other hand, the administration of these priorities was so inept and inefficient as to bring about results which can be characterized only as ludicrous. One of the primary purposes of the act was to insure that veterans should be accorded priority to purchase various types of equipment, etc., to assist them in reestablishing themselves in business and on the farm upon their discharge from the service. The regulations that were issued to carry out the act seemed adequate enough on paper. But in actual operation the administrative officials failed literally to carry out their own regulations to such an extent that the mail of Congress has carried a running fire of protest from every section of the country. Veterans were either not securing the priority to which they were entitled under the law, or were being forced to wait such long periods before delivery of property after approval of priority that there was no advantage in attempting to secure surplus Government property rather than purchase in the open market. As a matter of fact, many veterans would have failed in business before they ever started had they waited to secure their equipment from Government surplus.

The Committee on Appropriations has kept in constant contact with this program from its inception, and during the past 2 years has kept in close touch with developments. There will remain on hand as of June 30, 1948, the following inventories, the value shown being the original cost to the Government:

Real property-----	\$2, 685, 000, 000
Aircraft and aircraft parts-----	873, 000, 000
Other personal property-----	667, 000, 000

If this property is to be placed in the hands of those who can derive some benefit from it, immediate action must be taken as the obsolescence and deterioration factors rapidly are making it worthless. The net return to the Government above expenses of disposal shortly will dwindle to the vanishing point and in many cases maintenance and storage charges already have eaten up the price at which property may be sold.

After considering all these factors, and consultation with members of the Committees on Expenditure in the Executive Departments, the committee has concluded that, in order to protect the interest of the Government in securing a maximum return for this property as well as insure the early utilization of these surpluses by those who desire them, it is necessary to make immediate and rather far-reaching changes in the system. To accomplish this purpose legislation has been included in the accompanying bill, the salient features of which are:

1. The War Assets Administration is abolished, effective August 31, 1948, and its functions transferred as follows:
 - (a) Real property to Reconstruction Finance Corporation.
 - (b) Aircraft and parts to the Department of the Air Force.

(c) Other personal property to the Bureau of Federal Supply.

(d) Liquidation of the affairs of the War Assets Administration to the Treasury Department.

2. The Surplus Property Act of 1944 continues in effect until December 31, 1949, when, in any event, it will expire by operation of law except that the priorities and preferences authorized by the act shall not continue beyond August 31, 1948. These priority and preference provisions, regardless of their original purpose, have been so administered as to have been of dubious value, and the point has now been reached where they constitute a practical blockade against the movement of property.

3. Any property which has not been declared surplus to the War Assets Administration on the date of enactment of the accompanying bill will be disposed of in accordance with permanent law without reference to the Surplus Property Act of 1944.

4. The heads of the agencies to which property is transferred will have authority to dispose of personal property, if in the interest of the Government to do so, by abandonment, destruction, or donation to public bodies.

5. Any personal property may be transferred without charge to other agencies of the Government if by such transfer such property may be put to public use.

6. Each of the agencies to which functions are transferred will be required to report to the Committees on Appropriations of the House and Senate at the end of each month on progress made. The Committee on Appropriations of the House will expect to analyze these reports currently and to secure in connection with the budgets for such agencies for the fiscal year 1950 a full statement of work remaining and their recommendations as to disposal of any items for which there is determined to be no market and of which such agency finds itself unable to make appropriate disposition otherwise.

7. The War Assets Administration budget for 1949 was \$106,912,-000. To carry out the purposes as set forth in the bill, the committee recommends an appropriation of \$50,000,000 to be allocated by the Director of the Budget, who will also act as referee in the distribution of records, administrative property, etc., among the transferee agencies.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On pages 6 and 7 in connection with the appropriation for operating-differential subsidies, United States Maritime Commission:

Provided, That to the extent that the operating-differential subsidy accrual (computed on the basis of parity) is represented on the operator's books by a contingent accounts receivable item against the Commission as a partial or complete offset to the recapture accrual, the operator (1) shall be excused from making deposits in the Special Reserve Fund and, (2) as to the amount of such earnings the deposit of which is so excused, shall be entitled to the same tax treatment as though it had been deposited in said Special Reserve Fund. To the extent that any amount paid to the operator by the Commission reduces the balance in the operator's contingent receivable account against the Commission, such amount, unless it is forthwith deposited in the fund, shall be considered as withdrawn under Section 607 (h) of the Merchant Marine Act, 1936, as amended.

On pages 9 and 10 in connection with the United States Maritime Commission:

Notwithstanding any other provisions of this Act, the Commission is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Commission, and payments received by the Commission for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: Provided, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

The United States Maritime Commission shall not incur any obligations during the fiscal year 1949 from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, provided that nothing contained herein and in the Independent Offices Appropriation Act, 1948, approved July 30, 1947, shall be construed to affect the authority of the Commission pursuant to the provisions of section 603 (a) of the Merchant Marine Act, 1936, as amended (1) to grant operating differential subsidies on a long-term basis and (2) to obligate the United States to make future payments in accordance with the terms of such operating-differential subsidy contracts, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts.

On page 14 in connection with the appropriation for "Readjustment benefits," Veterans' Administration:

Provided, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character.

On pages 16, 17, 18, 19, and 20 in connection with the appropriation, "Surplus Property Disposal":

Effective August 31, 1948, the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) *All right, title, and interest in surplus real property and all right, title, and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(2) *All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(3) *All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(4) *Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;*

(5) *Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: Provided, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an independent agency of the Government;*

(6) *The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that Act;*

(7) *Priorities and preferences provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948;*

(8) *The agencies herein authorized to dispose of surplus personal property may,*

after August 31, 1948, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.

For administrative expenses in connection with the functions herein authorized to be administered by the War Assets Administration, the Treasury Department, the Department of the Air Force and the Reconstruction Finance Corporation, to be available for the same purposes as the appropriation for salaries and expenses, War Assets Administration, fiscal year 1948, and whenever in such appropriation the title "War Assets Administrator" appears it shall be construed to include his successor as to any of the functions herein transferred, \$50,000,000, from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, to be allocated as the Director of the Bureau of the Budget may determine: Provided, That the sum herein provided may be obligated during the period ending August 31, 1948, with respect to the War Assets Administration, and during the period ending March 31, 1949, with respect to the other agencies involved.

On pages 22, 23, and 24 of the bill:

SEC. 104. Section 207 of the Independent Offices Appropriation Act, 1949, is hereby amended to read as follows:

COMPLIANCE WITH CLAUSE 2A OF RULE XIII

Section 207 of Public Law 491, Eightieth Congress:

"Sec. 207. Any appropriations or funds available to the executive departments, independent establishments, and wholly owned Government corporations for the payment of salaries and compensation to persons stationed outside the continental United States or in Alaska whose rates of basic compensation are fixed by statute, shall be available for the payment of additional compensation to such persons, based on living costs substantially higher than in the District of Columbia, or conditions of environment which differ substantially from conditions of environment in the States and warrant additional compensation as a recruitment incentive, or both such factors: Provided, That such additional compensation, except as otherwise specifically authorized by law, shall be paid only in accordance with regulations prescribed by the President establishing rates of such additional compensation and defining the area, groups of positions, and classes of persons to which each such rate applies: Provided further, That no additional compensation based on living costs substantially higher than in the District of Columbia shall be paid under this section to any person who is entitled to receive a cost-of-living allowance under section 901 (2) of the Foreign Service Act of 1946 or section 204 of this Act: Provided further, That such additional compensation shall not exceed in any instance 25 per centum of the rate of basic compensation: Provided further, That this section shall be effective sixty days after the date of approval of this Act, or on such earlier date as may be specified in regulations issued by the President hereunder, and additional compensation payable under regulations and procedures in effect on the date of approval of this Act may continue to be paid until the effective date of this section."

SEC. 207. Except as otherwise provided by law, any appropriations or funds available to the executive departments, independent establishments, and corporations for the payment of salaries and compensation to persons employed outside the continental United States or in Alaska shall be available for the payment of such salaries and compensation only in accordance with regulations prescribed by the President at rates of pay equal to those paid for the same or similar services of persons employed by the Government in continental United States, plus not to exceed 25 per centum: *Provided*, That no such salary or compensation shall exceed the maximum provided by the Classification Act of 1923, as amended.

**COMPARATIVE STATEMENT SHOWING CONTRACT AUTHORIZATIONS, 1948, ESTIMATED FOR 1949, AND
THE AMOUNT RECOMMENDED IN THE BILL FOR 1949**

Agency	Authorization, 1948	Estimated authoriza- tion, 1949	Recommended in bill for 1949	Increase (+) or de- crease (-), bill com- pared with 1948 au- thorization	Increase (+) or de- crease (-), bill com- pared with 1949 budget estimates
Atomic Energy Commission-----	\$400, 000, 000	\$400, 000, 000	\$400, 000, 000	-----	-----
U. S. Maritime Commission-----	-----	60, 142, 000	75, 000, 000	+\$75, 000, 000	+\$14, 858, 000
Veterans' Administration-----	338, 250, 000	43, 000, 000	43, 000, 000	-295, 250, 000	-----
Total, contract authorizations-----	738, 250, 000	503, 142, 000	518, 000, 000	-220, 250, 000	+14, 858, 000

PERMANENT AND INDEFINITE ANNUAL AND TRUST ACCOUNT APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or de- crease (-)
GENERAL AND SPECIAL FUNDS			
U. S. Maritime Commission: Payments from proceeds of motor-propelled vehicle sales-----	\$700	-----	-\$700
Veterans' Administration:			
Relief of Mary L. Dickson-----	240	\$240	-----
Payments from proceeds of motor-propelled vehicle sales-----	42, 000	42, 000	-----
Total, permanent appropriations, general and special funds-----	42, 940	42, 240	-700

TRUST FUNDS

U. S. Maritime Commission:

Unearned moneys, merchant ship sales.....

500, 000

100, 000

—400, 000

Unclaimed moneys due creditors of contractors.....

200, 000

—200, 000

Veterans' Administration:

U. S. Government life insurance fund.....

99, 000, 000

97, 618, 000

—1, 382, 000

Personal funds of patients.....

12, 900, 000

15, 000, 000

+2, 100, 000

General post fund.....

450, 000

450, 000

Adjusted service certificate fund.....

365, 000

215, 000

—150, 000

National service life insurance fund.....

706, 742, 472

646, 786, 000

—59, 956, 472

Funds due incompetent beneficiaries.....

8, 500, 000

9, 000, 000

+500, 000

Unclaimed moneys of individuals whose whereabouts are known.....

28

50

+22

Total, permanent appropriation trust funds.....

828, 657, 500

769, 169, 050

—59, 488, 450

Total permanent appropriations.....

828, 700, 440

769, 211, 290

—59, 489, 150

COMPARATIVE STATEMENT OF THE AMOUNTS APPROPRIATED FOR THE FISCAL YEAR 1948, THE BUDGET ESTIMATES FOR THE FISCAL YEAR 1949, AND THE AMOUNTS RECOMMENDED IN THE ACCOMPANYING BILL FOR 1949

[Note.—Appropriations for 1948 include supplemental and deficiency appropriations]

Object	Appropriations, 1948	Budget estimates, 1949	Recommended in bill for 1949	Increase (+) or decrease (—), bill compared with 1948 appropriations	Increase (+) or decrease (—), bill compared with 1949 budget estimates
Office of Defense Transportation-----	¹ \$410, 000	² \$445, 000	\$340, 000	—\$70, 000	—\$105, 000
Atomic Energy Commission-----	³ 175, 000, 000	⁴ 550, 000, 000	⁵ 501, 850, 000	+326, 850, 000	—48, 150, 000
Office of the Housing Expediter-----	⁶ 24, 199, 000	⁷ 20, 500, 000	15, 172, 100	—9, 026, 900	—5, 327, 900
U. S. MARITIME COMMISSION					
Administrative expenses, available from construction fund-----	208, 206, 774			—208, 206, 774	
Salaries and expenses-----		⁸ 95, 321, 000	⁹ 68, 360, 775	+68, 360, 775	—26, 960, 225
Maritime training-----	7, 320, 000	6, 868, 000	8, 133, 080	+813, 080	+1, 265, 080
State marine schools-----	450, 000	400, 000	400, 000	—50, 000	
War Shipping Administration, operations of-----	¹⁰ 175, 459, 000			—175, 459, 000	
Vessel operating functions-----		¹¹ 39, 264, 000	25, 483, 976	+25, 483, 976	—13, 780, 024
War Shipping Administration, liquidation of obligations, Jan. 1, 1947, to June 30, 1947-----	¹⁰ 44, 600, 000			—44, 600, 000	

War Shipping Administration, liquidation of obligations-----	200,000,000	(12)	(12)	-200,000,000	-----
Total direct appropriation, United States Maritime Commission-----	207,770,000	141,853,000	102,377,831	-105,392,169	-39,475,169
Total all funds, United States Maritime Commission-----	636,035,774	141,853,000	102,377,831	-533,657,943	-39,475,169
VETERANS' ADMINISTRATION					
Administration, medical, hospital, and domiciliary services-----	13 901,040,780	14 954,755,000	936,755,000	+35,714,220	-18,000,000
Printing and binding-----	7,000,000	4,148,000	3,148,000	-3,852,000	-1,000,000
Penalty-mail costs-----	3,900,000	3,600,000	-----	-3,900,000	-3,600,000
Tort claims-----	26,500	15,000	15,000	-11,500	-----
Administrative facilities-----	3,100,000	-----	-----	-3,100,000	-----

¹ Includes \$10,000 in Urgent Deficiency Appropriation Act, 1948.

² Contained in H. Doc. No. 507.

³ And contract authorization of \$400,000,000, which includes \$150,000,000 in contract authorization contained in First Deficiency Appropriation Act, 1948.

⁴ And contract authorization of \$400,000,000.

⁵ And contract authorization of \$400,000,000.

⁶ Includes \$2,000,000 in First Deficiency Appropriation Act, 1948.

⁷ Contained in H. Doc. No. 631.

⁸ And contract authorization of \$60,142,000. Includes \$19,901,879 in cash and \$44,822,000 in contract authorization in House Doc. No. 618.

⁹ And contract authorization of \$75,000,000.

¹⁰ Receipts from vessel operations made available for operations of War Shipping Administration under P. L. 299, 430 and 519.

¹¹ Includes \$440,000 in House Doc. No. 618.

¹² Unexpended balance continued available.

¹³ Includes \$3,000,000 in First Deficiency Appropriation Act, 1948.

¹⁴ Includes \$13,963,000 in H. Doc. 630 and \$4,021,000 in H. Doc. 681.

Comparative statement of the amounts appropriated for the fiscal year 1948, the budget estimates for the fiscal year 1949, and the amounts recommended in the accompanying bill for 1949—Continued

Object	Appropriations, 1948	Budget estimates, 1949	Recommended in bill for 1949	Increase (+) or decrease (-), bill compared with 1948 appropriations	Increase (+) or decrease (-), bill compared with 1949 budget estimates
VETERANS' ADMINISTRATION—continued					
Pensions-----	\$2, 171, 915, 000	\$1, 948, 000, 000	\$1, 898, 000, 000	-\$273, 915, 000	-\$50, 000, 000
Readjustment benefits-----	3, 719, 860, 000	¹⁵ 2, 229, 027, 000	1, 979, 027, 000	-1, 740, 833, 000	-250, 000, 000
Military and naval insurance-----	11, 150, 000	9, 096, 000	5, 096, 000	-6, 054, 000	-4, 000, 000
Hospital and domiciliary facilities-----	(¹⁶)	¹⁷ 230, 000, 000	¹⁸ 202, 000, 000	+202, 000, 000	-28, 000, 000
Operation of canteens-----	965, 000	-----	-----	-965, 000	-----
National service life insurance-----	62, 217, 000	49, 320, 000	49, 320, 000	-12, 897, 000	-----
Soldiers' and sailors' civil relief-----	833, 000	65, 000	65, 000	-768, 000	-----
Automobiles for disabled veterans-----	5, 000, 000	-----	-----	-5, 000, 000	-----
Veterans' miscellaneous benefits-----	85, 449, 800	51, 883, 000	51, 883, 000	-33, 566, 800	-----
Total, Veterans' Administration-----	6, 972, 457, 080	5, 479, 909, 000	5, 125, 309, 000	-1, 847, 148, 080	-354, 600, 000
Surplus Property Disposal ¹⁹ -----	257, 149, 270	²⁰ 106, 912, 000	50, 000, 000	-207, 149, 270	-56, 912, 000
Grand total, direct appropriations-----	7, 636, 985, 350	6, 299, 619, 000	5, 795, 048, 931	-1, 841, 936, 419	-504, 570, 069
Grand total, all funds-----	8, 065, 251, 124	6, 299, 619, 000	5, 795, 048, 931	-2, 270, 202, 193	-504, 570, 069

¹⁵ Includes \$310,122,000 in H. Doc. 673.

¹⁶ And contract authorization of \$338,250,000.

¹⁷ And contract authorization of \$43,000,000.

¹⁸ And contract authorization of \$43,000,000.

¹⁹ Submitted in budget under heading "War Assets Administration."

²⁰ Contained in H. Doc. 648.

○

NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
2D SESSION

H. R. 6829

[Report No. 2245]

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1948

MR. WIGGLESWORTH, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus,

1 boards, commissions, and offices, for the fiscal year ending
2 June 30, 1949, namely:

3 EXECUTIVE OFFICE OF THE PRESIDENT

4 OFFICE FOR EMERGENCY MANAGEMENT

5 OFFICE OF DEFENSE TRANSPORTATION

6 Salaries and expenses: For expenses necessary for the
7 Office of Defense Transportation, including salary of the
8 Director at not to exceed \$12,000, and the Deputy Director
9 at \$10,000; personal services in the District of Columbia;
10 not to exceed \$54,000 for travel expenses, including expenses
11 of attendance at meetings concerned with the work of the
12 agency; not to exceed \$6,500 for printing and binding; serv-
13 ices as authorized by section 15 of the Act of August 2, 1946
14 (5 U. S. C. 55a) ; \$340,000, of which \$60,000 shall be avail-
15 able exclusively for terminal-leave payments: *Provided*, That
16 the foregoing amounts may be obligated during the period
17 ending February 28, 1949: *Provided further*, That the pay-
18 ment of subsistence to witnesses shall be subject to certifica-
19 tion by the Director of the Office of Defense Transportation
20 or his designee, as to the necessity therefor: *Provided*
21 *further*, That in operating any commercial railroad or truck
22 line the Office of Defense Transportation shall pay whatever
23 license or inspection fees and highway use compensation taxes
24 such lines would have been obligated to pay had they con-
25 tinued in operation under the control of the owners thereof.

ATOMIC ENERGY COMMISSION

For expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, including personal services in the District of Columbia and employment of aliens; purchase of land and interests in land; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; purchase of passenger motor vehicles for replacement only; purchase, maintenance, and operation of aircraft; printing and binding; health-service program as authorized by law (5 U. S. C. 150) ; publication and dissemination of atomic information; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921) ; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals and travel expenses; and payment of obligations incurred under prior year contract authorizations; \$501,850,000, of which amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended; from which appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation

1 to which transferred; and in addition to the amount herein
2 provided, the Commission is authorized to contract for the
3 purposes of this appropriation during the fiscal year in
4 an amount not exceeding \$400,000,000: *Provided*, That no
5 part of this appropriation shall be used to pay the salary of
6 any officer or employee (except such officers and employees
7 whose compensation is fixed by law, and scientific and tech-
8 nical personnel) whose position would be subject to the
9 Classification Act of 1923, as amended, if such Act were
10 applicable to such position, at a rate in excess of the rate
11 payable under such Act for positions of equivalent difficulty
12 or responsibility.

13 HOUSING EXPEDITER

14 Salaries and expenses, Office of the Housing Expediter:
15 For expenses necessary to carry out the functions of the
16 Office of the Housing Expediter, including personal services
17 in the District of Columbia; attendance at meetings of organ-
18 izations concerned with rent control; hire of passenger motor
19 vehicles; printing and binding; services as authorized by
20 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
21 not to exceed \$5,000 for payment of claims pursuant to sec-
22 tion 403 of the Federal Tort Claims Act (28 U. S. C. 921) ;
23 and health service program as authorized by law (5 U. S. C.
24 150) ; \$15,172,100: *Provided*, That the foregoing amounts
25 may be obligated during the period ending March 31, 1949:

1 *Provided further*, That any employee of the Office of the
2 Housing Expediter is authorized and empowered, when
3 designated for the purpose by the Housing Expediter, to
4 administer to or take from any person an oath, affirmation,
5 or affidavit when such instrument is required in connection
6 with the performance of the functions or activities of the
7 Housing Expediter.

8 UNITED STATES MARITIME COMMISSION

9 Salaries and expenses: For expenses necessary for carry-
10 ing into effect the Merchant Marine Act, 1936, and other laws
11 administered by the United States Maritime Commission,
12 \$68,360,775, within limitations as follows:

13 Administrative expenses, including personal services in
14 the District of Columbia; printing and binding; not to exceed
15 \$2,000 for newspapers and periodicals; not to exceed \$18,750
16 for services as authorized by section 15 of the Act of August
17 2, 1946 (5 U. S. C. 55a); and not to exceed \$1,125 for
18 entertainment of officials of other countries when specifically
19 authorized by the Chairman; in all, not to exceed
20 \$10,600,000: *Provided*, That during the fiscal year ending
21 June 30, 1949, the salaries of the Commissioners of the
22 United States Maritime Commission with the exception of
23 the Chairman, shall be at the rate of \$10,000 each per annum;

24 New ship construction, including reconditioning and
25 betterment, \$29,000,000; and, in addition, the Commis-

1 sion is authorized to enter into contracts for new ship con-
2 struction in an amount not to exceed \$75,000,000: *Pro-*
3 *vided*, That all authority granted to incur obligations for
4 these purposes during 1948 and prior fiscal years not exer-
5 cised prior to July 1, 1948, is hereby revoked, except that
6 not to exceed \$99,000,000 of the funds appropriated for
7 "New ship construction, reconditioning, and betterment" in
8 the Independent Offices Appropriation Act, 1948, shall
9 continue to be available until September 30, 1948;

10 Maintenance of shipyard facilities, \$529,000;

11 Operation of warehouses, \$792,000;

12 Operating-differential subsidies, \$16,691,775: *Provided*,
13 That to the extent that the operating-differential subsidy
14 accrual (computed on the basis of parity) is represented on
15 the operator's books by a contingent accounts receivable
16 item against the Commission as a partial or complete offset
17 to the recapture accrual, the operator (1) shall be excused
18 from making deposits in the Special Reserve Fund and,
19 (2) as to the amount of such earnings the deposit of which
20 is so excused, shall be entitled to the same tax treatment as
21 though it had been deposited in said Special Reserve Fund.
22 To the extent that any amount paid to the operator by the
23 Commission reduces the balance in the operator's contingent
24 receivable account against the Commission, such amount,
25 unless it is forthwith deposited in the fund, shall be con-

1 sidered as withdrawn under Section 607 (h) of the Mer-
2 chant Marine Act, 1936, as amended;

3 Reserve fleet expense, \$9,663,000;

4 Maintenance and operation of terminals, \$585,000;

5 Miscellaneous expenses, including payment of claims
6 pursuant to section 403 of the Federal Tort Claims Act
7 (28 U. S. C. 921), \$500,000.

8 Whenever, in connection with any transaction involving
9 the sale, purchase, or requisition of any vessel, the United
10 States shall be or become obligated to pay any sum to the
11 other party to the transaction and said other party shall be
12 or is indebted to the United States on account of any transac-
13 tion involving the sale, purchase, or requisition of any vessel
14 the amount so owing to the United States shall be deducted
15 from the amount due the other party, and hereafter no officer
16 or employee of the Government shall pay to such other party
17 a sum greater than the net amount owing the other party.

18 Maritime training: For training personnel for the man-
19 ning of the merchant marine (including operation of training
20 stations at Kings Point, New York; Sheephead Bay, New
21 York; Pass Christian, Mississippi; Saint Petersburg,
22 Florida; and Alameda, California), including not to
23 exceed \$3,300,000 for personal services (exclusive
24 of pay of trainees) in the District of Columbia and
25 elsewhere; expenses of attendance at meetings con-

cerned with the work of the Commission when specifically authorized by the Chairman; printing and binding; health service program as authorized by law (5 U. S. C. 150); not to exceed \$2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; and not to exceed \$126,896 for transfer to applicable appropriations of the Public Health Service for services rendered the Commission; \$8,133,080.

State marine schools: To reimburse the State of California, \$50,000; the State of Maine, \$50,000; the State of Massachusetts, \$50,000; and the State of New York, \$50,000; for expenses incurred in the maintenance and support of marine schools in such States as provided in the Act authorizing the establishment of marine schools, and so forth, approved March 4, 1911, as amended (34 U. S. C. 1121-1123); and for the maintenance and repair of vessels loaned by the United States to the said States for use in connection with such State marine schools, \$200,000; in all, \$400,000.

Vessel operating functions: For expenses (other than administrative expenses) necessary for carrying out, until March 1, 1949, the operating functions transferred to the United States Maritime Commission by section 202 of the Naval Appropriation Act, 1947 (60 Stat. 501). \$25,483, 976: *Provided*, That receipts from such functions during the

1 fiscal year 1949 shall be deposited in the Treasury as miscel-
2 laneous receipts.

3 War Shipping Administration liquidation: The unex-
4 pended balance of the appropriation to the Secretary of the
5 Treasury in the Second Supplemental Appropriation Act,
6 1948, for liquidation of obligations found by the General
7 Accounting Office to have been properly incurred against
8 funds of the War Shipping Administration prior to January 1,
9 1947, is hereby continued available from July 1, 1948,
10 until June 30, 1949: *Provided*, That hereafter all moneys
11 accruing to the United States Maritime Commission from
12 operations under the War Shipping Administration revolv-
13 ing fund prior to September 1, 1946 (including all moneys
14 received from agent operators), shall be covered into the
15 Treasury as miscellaneous receipts.

16 Notwithstanding any other provision of this Act, the
17 Commission is authorized to furnish utilities and services
18 and make necessary repairs in connection with any lease,
19 contract, or occupancy involving Government property
20 under control of the Commission, and payments received
21 by the Commission for utilities, services, and repairs so fur-
22 nished or made shall be credited to the appropriation
23 charged with the cost thereof: *Provided*, That rental pay-
24 ments under any such lease, contract, or occupancy on

1 account of items other than such utilities, services, or re-
2 pairs shall be covered into the Treasury as miscellaneous
3 receipts.

4 The United States Maritime Commission shall not incur
5 any obligations during the fiscal year 1949 from the con-
6 struction fund established by the Merchant Marine Act,
7 1936, or otherwise, in excess of the appropriations and limi-
8 tations contained in this Act: *Provided*, That nothing con-
9 tained herein and in the Independent Offices Appropriation
10 Act, 1948, shall be construed to affect the authority of the
11 Commission pursuant to the provisions of section 603 (a) of
12 the Merchant Marine Act, 1936, as amended, (1) to grant
13 operating differential subsidies on a long-term basis and
14 (2) to obligate the United States to make future payments
15 in accordance with the terms of such operating-differential
16 subsidy contracts, and all receipts which otherwise would
17 be deposited to the credit of said fund shall be covered into
18 the Treasury as miscellaneous receipts: *Provided further*,
19 That the Commission may make allowances to purchasers
20 of vessels for cost of putting such vessels in class, such allow-
21 ances to be determined on the basis of competitive bids,
22 without regard to the provisions of the last paragraph of
23 section 3 (d) of the Merchant Ship Sales Act of 1946.

1 VETERANS' ADMINISTRATION

2 Administration, medical, hospital, and domiciliary
3 services: For necessary expenses of the Veterans' Admin-
4 istration, including maintenance and operation of medical,
5 hospital, and domiciliary services, in carrying out the func-
6 tions pursuant to all laws for which the Administration is
7 charged with administering, including personal services in
8 the District of Columbia; examination of estimates of appro-
9 priations in the field, including actual expenses of subsistence
10 or per diem allowance in lieu thereof; furnishing and laun-
11 dering of such wearing apparel as may be prescribed for
12 employees in the performance of their official duties; health
13 service program as authorized by law (5 U. S. C. 150) ;
14 purchase of three hundred and ninety passenger motor
15 vehicles, of which two hundred and twenty-eight shall be
16 for replacement only; utilization of Government-owned auto-
17 motive equipment in transporting children of Veterans' Ad-
18 ministration employees located at isolated stations to and
19 from school under such limitations as the Administrator may
20 by regulation prescribe; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; mainte-
22 nance and operation of farms; recreational articles and
23 facilities at institutions maintained by the Veterans' Admin-
24 istration; expenses incidental to securing employment for
25 war veterans; funeral, burial, and other expenses incidental

1 thereto for beneficiaries of the Veterans' Administration ex-
2 cept burial awards authorized by Veterans' Administration
3 Regulation Numbered 9 (a), as amended; the purchase of
4 tobacco to be furnished, subject to regulations of the Admin-
5 istrator, to veterans receiving hospital treatment or domi-
6 ciliary care in Veterans' Administration hospitals or homes;
7 aid to State or Territorial homes in conformity with the Act
8 approved August 27, 1888, as amended (24 U. S. C. 134),
9 for the support of veterans eligible for admission to Veterans'
10 Administration facilities for hospital or domiciliary care; the
11 purchase of printed reduced-fare requests for use by veterans
12 when traveling at their own expense from or to Veterans'
13 Administration facilities; not to exceed \$5,765 for news-
14 papers and periodicals; and not to exceed \$57,905 for the
15 preparation, shipment, installation, and display of exhibits,
16 photographic displays, moving pictures, and other visual
17 educational information and descriptive material, including
18 the purchase or rental of equipment; \$936,755,000, from
19 which allotments and transfers may be made to the Federal
20 Security Agency (Public Health Service), the Army, Navy,
21 and Interior Departments, for disbursement by them under
22 the various headings of their applicable appropriations, of
23 such amounts as are necessary for the care and treatment of
24 beneficiaries of the Veterans' Administration, including minor
25 repairs and improvements of existing facilities under their

1 jurisdiction necessary to such care and treatment: *Provided*,
2 That no part of this appropriation shall be used to pay in
3 excess of one hundred persons engaged in public relations
4 work: *Provided further*, That no part of this appropriation
5 shall be expended for the purchase of any site for or toward
6 the construction of any new hospital or home, or for the pur-
7 chase of any hospital or home; and not more than \$8,534,800
8 of this appropriation may be used to repair, alter, improve,
9 or provide facilities in the several hospitals and homes under
10 the jurisdiction of the Veterans' Administration either by
11 contract or by the hire of temporary employees and the
12 purchase of materials.

13 Printing and binding: For printing and binding,
14 \$3,148,000.

15 Tort claims: For payment of claims pursuant to section
16 403 of the Federal Tort Claims Act (28 U. S. C. 921),
17 \$15,000.

18 Pensions: For the payment of compensation, pensions,
19 gratuities, and allowances (including subsistence allowances
20 authorized by part VII of Veterans Regulation 1a, as
21 amended), authorized under any Act of Congress, or regu-
22 lation of the President based thereon, including emergency
23 officers' retirement pay and annuities, the administration
24 of which is now or may hereafter be placed in the Veterans'

1 Administration, and for the payment of adjusted-service
2 credits as provided in sections 401 and 601 of the Act of
3 May 19, 1924, as amended (38 U. S. C. 631 and 661),
4 \$1,898,000,000, to be immediately available and to remain
5 available until expended.

6 Readjustment benefits: For the payment of benefits to
7 or on behalf of veterans as authorized by titles II, III, and
8 V, of the Servicemen's Readjustment Act of 1944,
9 \$1,979,027,000, to be immediately available and to remain
10 available until expended: *Provided*, That no part of this
11 appropriation for education and training under title II of
12 the Servicemen's Readjustment Act, as amended, shall be
13 expended for tuition, fees, or other charges, or for subsistence
14 allowance, for any course elected or commenced by a veteran
15 on or subsequent to July 1, 1948, and which is determined
16 by the Administrator to be avocational or recreational in
17 character.

18 Military and naval insurance: For military and naval
19 insurance, \$5,096,000, to be immediately available and to
20 remain available until expended.

21 Hospital and domiciliary facilities: For hospital and
22 domiciliary facilities, \$202,000,000, to remain available until
23 expended for the payment of obligations heretofore or
24 herein authorized to be incurred under this head, and, in
25 addition, the Administrator of Veterans' Affairs is authorized

1 to incur obligations prior to July 1, 1950, in an amount
2 not exceeding \$43,000,000, for extending, with the approval
3 of the President, any of the facilities under the jurisdiction
4 of the Veterans' Administration or for any of the purposes
5 set forth in sections 1 and 2 of the Act approved March 4,
6 1931 (38 U. S. C. 438j-k), or in section 101 of the
7 Servicemen's Readjustment Act of 1944 (38 U. S. C.
8 693a) : *Provided*, That the authority contained in the Third
9 Urgent Deficiency Appropriation Act, 1946, and in the
10 Independent Offices Appropriation Act, 1948, to incur obli-
11 gations for the purposes of this appropriation is hereby
12 extended to July 1, 1950: *Provided further*, That not to
13 exceed 6.7 per centum of the foregoing appropriation and
14 contract authorizations shall be available for the employ-
15 ment in the District of Columbia and in the field of all
16 necessary technical and clerical personnel for the preparation
17 of plans and specifications for the projects as approved here-
18 under and in the supervision of the execution thereof, and
19 for all travel expenses, field office equipment, and supplies
20 in connection therewith, except that whenever the Veterans'
21 Administration finds it necessary in the construction of any
22 project to employ other Government agencies or persons
23 outside the Federal service to perform such services not
24 to exceed 10 per centum of the cost of such projects may be
25 expended for such services.

1 National service life insurance: For the payment of
2 benefits and for transfer to the national service life insurance
3 fund, in accordance with the National Service Life Insurance
4 Act of 1940, as amended, \$49,320,000, to be immediately
5 available and to remain available until expended: *Provided*,
6 That certain premiums shall be credited to this appropriation
7 as provided by the Act.

8 Soldiers' and sailors' civil relief: For payment of claims
9 as authorized by article IV of the Soldiers' and Sailors' Civil
10 Relief Act amendments of 1942, \$65,000, to be immediately
11 and continuously available until expended: *Provided*, That
12 any moneys received as repayment of debts incurred under
13 said article IV shall be credited to this appropriation.

14 Veterans' miscellaneous benefits: For the payment of
15 burial awards authorized by Veterans' Administration Regu-
16 lation Numbered 9 (a), as amended, and for supplies,
17 equipment, and tuition authorized by part VII of Veterans'
18 Administration Regulation Numbered 1 (a), as amended,
19 \$51,883,000, to remain available until expended.

20 No part of the foregoing appropriations shall be available
21 for hospitalization or examination of any persons except
22 beneficiaries entitled under the laws bestowing such benefits
23 to veterans, unless reimbursement of cost is made to the ap-
24 propriation at such rates as may be fixed by the Adminis-
25 trator of Veterans' Affairs.

SURPLUS PROPERTY DISPOSAL

Effective August 31, 1948, the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) All right, title, and interest in surplus real property and all right, title, and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, ex-

1 cept as provided herein, with the terms of the Surplus
2 Property Act of 1944, as amended;

3 (4) Except as necessary to the administration of the
4 functions herein transferred to the Department of the Air
5 Force, the Reconstruction Finance Corporation, and the
6 Bureau of Federal Supply, all administrative property,
7 records, and accounts of the War Assets Administration
8 shall be transferred to the Treasury Department for liquida-
9 tion of the affairs of the War Assets Administration;

10 (5) Such administrative property, records, and per-
11 sonnel of the War Assets Administration as determined by
12 the Director of the Bureau of the Budget to be necessary
13 to the administration of any of the functions herein trans-
14 ferred shall be transferred to the agency to which such
15 function is transferred: *Provided*, That the right to reten-
16 tion in employment by the Government of the personnel so
17 transferred shall be neither greater nor less than such right
18 would have been had the War Assets Administration con-
19 tinued as an independent agency of the Government;

20 (6) The provisions of section 9 of the Reorganization
21 Act of 1945 (Public Law 263, Seventy-ninth Congress)
22 shall apply to the transfers effected by this paragraph in like
23 manner as if such transfer were a reorganization of the agen-
24 cies and functions concerned under the provisions of that
25 Act;

1 (7) Priorities and preferences provided for in the Sur-
2 plus Property Act of 1944, as amended, shall not continue
3 beyond August 31, 1948;

4 (8) The agencies herein authorized to dispose of surplus
5 personal property may, after August 31, 1948, transfer any
6 of such property without charge to any other agency of the
7 Government if such property, by such transfer, can be put
8 to public use by the transferee agency;

9 (9) The agencies herein authorized to dispose of sur-
10 plus property shall proceed with due diligence and use all
11 reasonable means within the purview of this Act and the
12 Surplus Property Act of 1944, as amended, to accomplish
13 such purpose at the earliest practicable date and shall report
14 to the Committees on Appropriations of the Senate and the
15 House of Representatives at the end of each month as to
16 progress made;

17 (10) The Secretary of the Treasury, the Secretary of
18 the Air Force, or the Chairman of the Board of Directors
19 of the Reconstruction Finance Corporation may authorize
20 the abandonment, destruction, or donation to public bodies
21 of personal property herein transferred to their respective
22 agencies which has no commercial value or the estimated
23 cost of care and handling of which would exceed the estimated
24 proceeds from its sale;

25 (11) The Surplus Property Act of 1944, as amended,

1 shall not apply to property of the Government which has
2 not been declared surplus under the terms of such Act as of
3 the date of enactment hereof and any such property deter-
4 mined to be surplus shall be disposed of in accordance with
5 the terms of other existing law.

6 For administrative expenses in connection with the func-
7 tions herein authorized to be administered by the War
8 Assets Administration, the Treasury Department, the Depart-
9 ment of the Air Force and the Reconstruction Finance
10 Corporation, to be available for the same purposes as the
11 appropriation for salaries and expenses, War Assets Admin-
12 istration, fiscal year 1948, and whenever in such appropria-
13 tion the title "War Assets Administrator" appears it shall be
14 construed to include his successor as to any of the functions
15 herein transferred, \$50,000,000, from the special fund ac-
16 count in the Treasury as provided for in the First Deficiency
17 Appropriation Act, 1946, to be allocated as the Director of
18 the Bureau of the Budget may determine: *Provided*, That
19 the sum herein provided may be obligated during the period
20 ending August 31, 1948, with respect to the War Assets
21 Administration, and during the period ending March 31,
22 1949, with respect to the other agencies involved.

23 GENERAL PROVISIONS

24 SEC. 102. No part of any appropriation contained in
25 this Act shall be used to pay the salary or wages of any

1 person who engages in a strike against the Government of
2 the United States or who is a member of an organization of
3 Government employees that asserts the right to strike against
4 the Government of the United States, or who advocates, or
5 is a member of an organization that advocates, the over-
6 throw of the Government of the United States by force or
7 violence, ~~or who is a member of any labor organization~~
8 ~~the officers of which have not complied with the require-~~
9 ~~ments of subsection (h) of section 9 of the National Labor~~
10 ~~Relations Act as amended by the Labor-Management Rela-~~
11 ~~tions Act, 1947: Provided, That for the purposes hereof~~
12 an affidavit shall be considered prima facie evidence that
13 the person making the affidavit has not contrary to the
14 provisions of this section engaged in a strike against the
15 Government of the United States, is not a member of an
16 organization of Government employees that asserts the
17 right to strike against the Government of the United States,
18 or that such person does not advocate, and is not a mem-
19 ber of an organization that advocates, the overthrow of
20 the Government of the United States by force or violence,
21 or that such person is not a member of any labor or-
22 ganization the officers of which have not complied with the
23 requirements of subsection (h) of section 9 of the Na-
24 tional Labor Relations Act as amended by the Labor-
25 Management Relations Act, 1947: *Provided further, That*

1 any person who engages in a strike against the Government
2 of the United States or who is a member of an organization
3 of Government employees that asserts the right to strike
4 against the Government of the United States, or who advo-
5 cates, or who is a member of an organization that advocates,
6 the overthrow of the Government of the United States by
7 force or violence, and accepts employment the salary or
8 wages for which are paid from any appropriation contained
9 in this Act shall be guilty of a felony and, upon conviction,
10 shall be fined not more than \$1,000 or imprisoned for not
11 more than one year, or both: *Provided further*, That the
12 above penalty clause shall be in addition to, and not in sub-
13 stitution for, any other provisions of existing law.

14 SEC. 103. The funds appropriated herein shall be subject
15 to the general provisions of titles I and II of the Independent
16 Offices Appropriation Act, 1949.

17 SEC. 104. Section 207 of the Independent Offices Ap-
18 propriation Act, 1949, is hereby amended to read as follows:

19 "SEC. 207. Any appropriations or funds available to
20 the executive departments, independent establishments, and
21 wholly owned Government corporations for the payment of
22 salaries and compensation to persons stationed outside the
23 continental United States or in Alaska whose rates of basic

1 compensation are fixed by statute, shall be available for the
2 payment of additional compensation to such persons, based
3 on living costs substantially higher than in the District of
4 Columbia, or conditions of environment which differ sub-
5 stantially from conditions of environment in the States and
6 warrant additional compensation as a recruitment incentive,
7 or both such factors: *Provided*, That such additional com-
8 pensation, except as otherwise specifically authorized by
9 law, shall be paid only in accordance with regulations
10 prescribed by the President establishing rates of such addi-
11 tional compensation and defining the area, groups of posi-
12 tions, and classes of persons to which each such rate applies:
13 *Provided further*, That no additional compensation based
14 on living costs substantially higher than in the District of
15 Columbia shall be paid under this section to any person who
16 is entitled to receive a cost-of-living allowance under section
17 901 (2) of the Foreign Service Act of 1946 or section
18 204 of this Act: *Provided further*, That such additional
19 compensation shall not exceed in any instance 25 per centum
20 of the rate of basic compensation: *Provided further*, That
21 this section shall be effective sixty days after the date of
22 approval of this Act, or on such earlier date as may be
23 specified in regulations issued by the President hereunder,

1 and additional compensation payable under regulations and
2 procedures in effect on the date of approval of this Act may
3 continue to be paid until the effective date of this section.”

4 SEC. 105. This Act may be cited as “The Supplemental
5 Independent Offices Appropriation Act, 1949.”

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[FULL COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
2D Session

H. R.

[Report No.]

A BILL

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

By Mr. WIGGLESWORTH

JUNE 8, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL, 1949

JUNE 8, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WIGGLESWORTH, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6829]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Office of Defense Transportation, Atomic Energy Commission, Office of the Housing Expediter, the United States Maritime Commission, Veterans' Administration, and for surplus property disposal, for the fiscal year 1949.

SCOPE OF THE BILL

The bill provides appropriations for the Office of Defense Transportation, Atomic Energy Commission, Office of the Housing Expediter, United States Maritime Commission, Veterans' Administration, and for surplus property disposal, estimated for in the Budget for 1949, pages 43 to 161, inclusive, and in House Documents Nos. 507, 597, 618, 630, 631, 648, 673, and 681.

APPROPRIATIONS AND ESTIMATES

A tabulation appears at the end of this report showing each appropriation recommended for the fiscal year 1949, the amount appropriated for the fiscal year 1948, and the budget estimates for the fiscal year 1949, together with the increase or decrease in appropria-

tions and estimates as compared with the amounts recommended in the bill.

A summary of the totals in the tabulation is as follows:

The budget estimates for 1949-----	\$6, 299, 619, 000
Recommended in the bill-----	5, 795, 048, 931
The reductions made by the committee-----	504, 570, 069

The bill as reported shows a reduction of \$1,841,936,419 below the total of the 1948 appropriations for similar purposes.

Permanent appropriations, general, special, and trust accounts.—The permanent appropriations are those which occur automatically each year without annual action by Congress, have been created specifically by Congress in previous years, continue as such until modified or discontinued, and are largely beyond the jurisdiction of the Committee on Appropriations. A tabular statement of such funds will be found at the end of this report.

OFFICE OF DEFENSE TRANSPORTATION

The committee recommends \$340,000 for the Office of Defense Transportation, a reduction of \$105,000 from the budget estimate of \$445,000. The appropriation for fiscal year 1948 for this Office was \$410,000, of which it was testified approximately \$406,000 will be expended. The amount in this bill is for the period from July 1, 1948, to February 28, 1949, inclusive, inasmuch as Public Law 395 of the Eightieth Congress, the legal authority on which this Office bases its present existence, expires on the latter date. Of the \$340,000 recommended, \$60,000 is to be used exclusively for terminal leave. Since the appropriation for the fiscal year 1948 was on a 12 months' basis and the amount which the committee recommends for fiscal year 1949 is for only 8 months, the amount for 1949 is actually proportionately greater than that for the current year. The Office of Defense Transportation, in justification of its continued existence, contends that if its functions were turned over to the Interstate Commerce Commission these functions would not be carried on as efficiently or rapidly and that more records would have to be kept. This argument appears to be not so much a justification for the continuation of the Office of Defense Transportation as an indictment of the efficiency of the Interstate Commerce Commission. It is the belief of the committee that this Office, like most so-called temporary agencies, will never terminate without positive action by the Congress. When questioned specifically by the committee as to the possible end of the Office of Defense Transportation, the Director replied:

The end is this: When we can see a program of cars being built to take care of the situation and when we have no emergency, the Office of Defense Transportation can be closed.

ATOMIC ENERGY COMMISSION

The committee is not satisfied with its relations to date with the Atomic Energy Commission. The committee is fully aware of the vital importance, particularly under present world conditions, of the work of the Commission and of the technical aspects connected with it, and is desirous of making every provision for its adequate support. However, the Commission's refusal to furnish the committee with

information and appraisals of its various budgeted items, based on technical information which can be available only to the Commission, because of the scientific and secret character of the work involved, leaves much to be desired in establishing the confidence which the committee must have if it is to continue to supply these large grants of funds under conditions of secrecy which prevent full disclosure of the details involved.

As a matter of fact, there is some feeling among the membership of the committee that the Commission has taken advantage of its strategic position in modern military defense to avoid facing the practical realities on less important and subsidiary elements of their budget. The impression left with the committee is one of general extravagance.

The committee recommends \$501,850,000, which is a reduction of \$48,150,000 in the budget estimate but is an increase of \$326,850,000 over the appropriation for the fiscal year 1948. In addition to the cash appropriation, contract authority in the amount of \$400,000,000 is recommended.

The committee specifically recommends a reduction of \$6,400,000 in the item, "Administrative expenses." Such a reduction will leave a total of \$26,473,213 available, which is slightly above the amount provided in 1948. Careful check by the committee of the administrative structure of the Commission, as compared with other agencies of the Government, leads to the conclusion that the Commission has indulged itself lavishly in this regard. The Commission is exempt from many requirements imposed on other agencies of the Government and the Commission's work is simplified on that account. The Congress, in allowing a single item budget, with few limitations and restrictions, has conferred on the Commission a degree of authority and autonomy which normally does not obtain and which should be so administered by the Commission as to assure a stewardship above reproach. The establishment of a lavish administrative structure does not impress the committee as comporting with the appropriate use of these broad authorities.

A reduction of \$2,700,000 in town operations is recommended. A scrutiny of the information submitted to the committee indicates that the Commission has not achieved any real comparability between the three communities operated either in their accounting or financial reporting and that it has not apparently achieved any satisfactory common denominator for the various types of expenses involved to regulate the actual outlays of the three communities. By comparison with statistics compiled by the Department of Commerce, relating to comparable per capita costs for 200 cities of from 25,000 to 50,000 population, the costs of the three communities are very much out of line.

The estimated obligation for fiscal year 1949 for construction of housing and community facilities is \$70,709,673. Cost figures under this project are also out of line with costs in other similar projects. It is the opinion of the committee that a substantial reduction can be made in this item. The committee also believes that an adjustment can be made in the item for research in the nonweapon, nonbiological, and nonmedical phases of the research and development program.

For the fiscal year 1948 the Commission received contract authorizations totaling \$400,000,000, of which \$150,000,000 was included in

the First Deficiency Appropriation Bill which became law on May 10, 1948. For the fiscal year 1949, the budget recommends, and the committee has approved, an additional contract authorization of \$400,000,000. Of the direct cash appropriation for 1949, \$250,000,000 was intended to liquidate a part of the contract authorization granted for the fiscal year 1948. In the original budget this figure was \$325,000,000 but was subsequently reduced by the Commission itself to \$250,000,000 inasmuch as it had become obvious that the full amount of cash would not be required. A recheck of the matter currently leads the committee to the conclusion that the full amount of the \$250,000,000 may not be required for these purposes during 1949, and a substantial portion of the reduction imposed by the committee may be absorbed in this item.

The reductions imposed by the committee are to be absorbed in other items without affecting the military phases.

HOUSING EXPEDITER

The committee recommends \$15,172,100 for the Office of the Housing Expediter. This is a reduction of \$5,327,900 under the budget estimate and is a reduction of \$9,026,900 under the appropriation for 1948.

The Office of the Housing Expediter was established as an independent agency of the Government on January 12, 1947, by Executive order. The term "Housing Expediter" is a misnomer in that the present functions of the agency have nothing to do with the expediting of any house construction. The existing duties of this Office are the operation of rent control under the Housing and Rent Act of 1948 and the investigation of violations of the Veterans Emergency Housing Act of 1946. This act is now inoperative so far as new work is concerned and there remains only a few months of work in connection with completion of projects. The investigative authority of this office is limited to those houses built under the provisions of the Veterans Emergency Housing Act of 1946 and does not extend to any houses built since the expiration of that act. The committee is desirous of seeing that violations of law in connection with veterans' housing are investigated but the authority of the Housing Expediter is in a rather limited area. As of June 3, 1948, there were 60 employees engaged in field compliance. Funds recommended herein will enable the office to employ a total of approximately 360 people for field compliance. Funds for an additional 244 positions have been denied.

It is the belief of the committee that more emphasis should be placed on the investigative staff than on the legal division inasmuch as the prosecution of the cases is the duty of the United States Attorneys.

No reductions have been made in the personnel requested for the operation of rent control.

The amount recommended is for a 9-month period since the Housing and Rent Act of 1948 expires on April 1, 1949.

The entire amount of \$4,132,900 included in the budget estimate for liquidation costs has been eliminated. When the Office is to be liquidated, consideration will be given to the necessary appropriation. The Office is of such size that liquidation of its activities should be made the subject of a separate budget study in the light of circumstances as they exist when liquidation is impending. Likewise, the amount for penalty mail has been eliminated.

UNITED STATES MARITIME COMMISSION

Salaries and expenses.—The committee recommends \$68,360,775 for this item, a reduction of \$26,960,225 in the budget estimate. In addition, there is recommended contract authority in the amount of \$75,000,000 which is \$14,858,000 above the budget estimate. Funds for these purposes formerly were made available from the construction revolving fund.

The functions carried on under this item, together with the budget estimates and the amounts recommended by the committee, are set forth in the following table:

Function	1949 budget estimate	Recommended by the committee
1. Ship construction and betterments.....	\$100,000,000	\$104,000,000
Less amount for contract authority.....	60,142,000	75,000,000
Amount of appropriation.....	39,858,000	29,000,000
2. General administrative expenses.....	12,243,000	10,600,000
3. Reserve fleet expenses.....	10,814,000	9,663,000
4. Maintenance of commission-owned shipyards.....	529,000	529,000
5. Warehouse operating expenses.....	792,000	792,000
6. Maintenance and operation—Government-owned terminals.....	585,000	585,000
7. Operating differential subsidies.....	30,000,000	16,691,775
8. Reserve for claims and miscellaneous expenses.....	500,000	500,000
Total.....	95,321,000	68,360,775

It is to be noted from the above table that the combined appropriation and contract authority for ship construction and betterment is \$4,000,000 above the amount recommended in the budget. The committee specifically recommends that \$5,000,000 of contract authority be used for plans and specifications for vessels deemed necessary to the national defense. The Commission is requested to consult and advise with the Secretary of Defense as to all new ship construction so that the maximum benefits to the national defense will be derived from the shipbuilding program.

In addition to the \$104,000,000 herein recommended for ship construction and betterment, the bill includes a provision extending the availability of \$84,000,000 for ship construction and \$15,000,000 for betterments made available for that purpose for fiscal year 1948 until September 30, 1948.

A reduction of \$1,643,000 is recommended in the item, "General administrative expenses" and the committee is certain that the sum of \$10,600,000, which is included in the bill, will be adequate. The investigator's report on this agency especially pointed out that over-staffing, and both useless and inefficiently conducted work, existed particularly in the "Field audits division." The surplus personnel in this division might well be transferred and utilized to better advantage in eliminating accounting and inventory backlogs carried over from the war period.

The amount of \$1,151,000, which it was testified was included in the Reserve Fleet expense estimate for drydocks, is eliminated. While information was set forth in the justification of the Maritime Commission that the Navy had designated three suitable drydocks for commission use in January 1948, a copy of a letter directed to the chairman of the Maritime Commission under date of May 4, 1948,

from the Department of the Navy was furnished the committee which stated as follows:

Pending final decision on the strategic requirements, the Department hereby withdraws its offer of floating drydocks to the Commission.

A total of \$16,691,775, which is a reduction of \$13,308,225 under the budget estimate, is recommended for operating differential subsidies. It was testified that this amount would be sufficient in view of the plan recently worked out whereby cash subsidies are to be paid to the extent that they are not now prospectively recapturable with the exception that a 5 percent "token" payment will in any event be paid currently to the operator subject to 100 percent estimated recapture.

A proviso, originally inserted in the act for 1948, authorizing the Commission to make allowances to purchasers of vessels for the cost of reconversion rather than bear the cost of reconversion out of appropriations, is being continued in the act for 1949. It has come to the attention of the committee that this provision has been construed as requiring the purchaser to make full payment of the minimum amount required under the Ship Sales Act to the Commission and also to put up the funds for cost of reconversion, thereby requiring payments in cash above the amounts otherwise required by the Ship Sales Act. It was the intention of the committee, in approving the original provision in the 1948 act, to permit the down payment to be computed against the combined total of purchase price plus cost of reconversion in the same manner as if the Commission were paying the cost of reconversion.

It has been suggested to the committee that funds provided through the construction fund of the Commission should be used for construction or conversion of boats for special purposes, particularly new ore boats for the Great Lakes, passenger boats for which hulls already constructed for the Pacific trade might be used, and a new design, speedy cargo and passenger type boat to be used experimentally on the west coast.

The committee recognizes the fact that there is merit in these proposals. It is suggested that the Maritime Commission give early and careful consideration to the proposals in determining the construction program for the fiscal year 1949, within the funds herein made available.

It was also suggested to the committee that the authority to convert ships, which were changed in type for wartime use, and which now are undergoing reconversion to their original type, be extended to permit conversion of such ships, particularly ships of the C-4 type, to types different from their original construction. The committee is not unfavorable to the idea, but does not believe that the matter should be handled in the appropriation bill at this time. It is the opinion of the committee that the Maritime Commission should present its views in this connection to the House Committee on Merchant Marine and Fisheries.

Maritime training fund.—The committee recommends a total of \$8,133,080 for this item. This represents an increase of \$1,265,080 over the budget estimate and an increase of \$813,080 over the appropriation for 1948. The increase recommended by the committee allows \$600,000 for the Cadet School at Pass Christian, Miss. It

also increases by \$251,000 the amount to be allocated for pay and subsistence of cadets at State maritime academies, thus increasing the number of cadets from 750 to 900.

The increase will allow the training of 1,000 cadet midshipmen at the United States Merchant Marine Academy at Kings Point, N. Y., instead of the 827 estimated in the budget.

The amount recommended herein will also allow normal operation of the training stations at St. Petersburg, Fla., Sheepshead Bay, N. Y., and Alameda, Calif., and the Maritime Service Institute.

State marine schools.—The bill contains \$400,000 for this item. Of this amount \$200,000 is to reimburse the States of California, Maine, Massachusetts, and New York for expenses incurred in the maintenance and support of marine schools in such State; and \$200,000 is for the maintenance and repair of vessels loaned by the United States to the above States for use in connection with the State maritime schools.

Vessel operating functions.—The bill includes \$25,483,976 for this item, a reduction of \$13,780,024 from the budget estimate. These activities have been carried on in prior years under the item "Operation of War Shipping Administration." The amount recommended is for an 8-month period inasmuch as the authority for operation terminates on February 28, 1949.

The budget estimate and the amount recommended by the committee for each function, are set forth in the following table:

Function	1949 budget estimate	Amount recommended by committee
1. Passenger vessel operations.....	\$14,412,680	\$14,412,680
2. Lend-lease vessels from U. S. S. R.....	9,629,000	
3. Towage.....	1,886,000	1,886,000
4. Maintenance of immobilized vessels.....	246,500	246,500
5. Reserve fleet—entry.....	4,711,168	3,560,144
6. Reserve fleet—exit.....	441,660	441,660
7. Vessel repairs.....	3,525,000	3,525,000
8. Sundry expenses.....	411,992	411,992
9. Reserve for contingencies, including claims.....	4,000,000	1,000,000
Total.....	39,264,000	25,483,976

Pending final agreement for the return of the 86 vessels still remaining in the hands of Russia as a result of lend-lease agreements, no specific appropriation therefor is being recommended. This will in no way disturb the legal authority of the Maritime Commission to meet the situation if and when the vessels are returned. The reduction of \$1,151,024 in the function "Reserve Fleet—Entry" is the estimated cost of handling the 86 vessels previously mentioned. The amount of \$1,000,000 recommended for "Reserve for contingencies including claims" is believed adequate in view of the relatively small number of vessels to be operated.

VETERANS' ADMINISTRATION

The committee recommends a total of \$5,125,309,000 and contract authority of \$43,000,000 for the Veterans' Administration for fiscal year 1949. The details as to each of the appropriation items are contained in the ensuing paragraphs.

Administration, medical, hospital and domiciliary services.—The committee recommends \$936,755,000 for this item, an increase of \$35,714,220 over the amount approved for the fiscal year 1948. No reduction has been made in the budget estimate for this item with the exception of a reduction of \$18,000,000 which represents the operating costs of the 13 branch offices for one quarter inasmuch as funds for the operation of these offices are provided herein for only a 9-month period. Appropriation of the funds for the operation of branch offices for the final 3 months of the fiscal year 1949 is being held in abeyance pending receipt of an over-all report to the committee on or before December 1, 1948, from General Gray, the Administrator, of his recommendations based upon an extensive field examination which he is now making. The committee has received a considerable number of reports from individual veterans and veterans' organizations criticizing the present organizational structure of the Veterans' Administration, particularly as to the branch offices and in many instances recommending their elimination.

Both last year and this year the committee has had the advantage of reports of highly trained, competent investigators who have indicated the possibility of far better service to the veterans at greatly reduced costs through reorganization, and other economies in administration. These reports have been called to the attention of the Administrator and, at his request, have been temporarily laid aside pending the completion of his over-all examination in the field.

This appropriation covers all expenses including salaries and operating costs of the central office in Washington and its New York branch; 13 branch offices; 70 regional offices, of which 9 are located at hospitals; 85 subregional offices; 475 contact offices; 4 supply depots; 3 publication depots; 2 special offices (Guam and Panama); and for the cost of operating 135 hospitals of which 12 are for domiciliary activities, a total of 789 Veterans' Administration stations. This appropriation also covers the cost of travel and examination and treatment of beneficiaries on a fee basis; repairs and alterations to hospitals and homes and other property housing Administration activities; payments to contract institutions and other Government hospitals wherein Veterans' Administration patients are hospitalized; reimbursement to States for veterans cared for in State soldiers' homes; payment of contract burial expenses; and the cost of administration in connection with the national service life insurance, vocational rehabilitation, education and training, readjustment allowance, compensation and pensions, and loans.

The amount recommended for the fiscal year 1949 includes, in addition to the regular 1949 estimate, supplemental amounts for the operation of the Veterans' Administration office in the Philippine Islands (Public Law 474, 80th Cong.); for adjustments in the average salary costs of employees based on current operating experience; for increased payments to state homes for Veterans' Administration beneficiaries hospitalized therein (Public Law 531, 80th Cong.); and for the additional cost involved in making an audit of the premium accounting records of the Veterans' Administration insurance service in order that these records may be placed in such condition as to permit satisfactory service to be rendered to policyholders.

The committee wishes to emphasize the fact that substantial increases are provided in funds requested for medical care for those

eligible, and that no reductions have been made in budget requests for this purpose. The bill carries an increase of \$74,833,602 over the amount provided in this respect for the current year.

The Committee on Appropriations included in the first deficiency bill for 1948, reported on March 30, 1948, \$3,000,000 for personnel in the Veterans' Administration and made the following statement (H. Rept. 1618) with respect thereto:

The Administrator of Veterans' Affairs recently ordered a reduction of approximately 8,500 out of a total of more than 210,000 personnel employed by the Veterans' Administration. Complaint has been made from various sections of the country that this reduction will greatly interfere with the proper administration of the veterans' benefits programs. The Administrator stated that he had a twofold purpose. In the first place he had discovered that in order to stay within funds available during the current year a substantial reduction would have to be made. Furthermore, the budget for the fiscal year 1949, which has not yet been acted upon by the Congress, would require a reduction to the extent proposed by the Administrator and it was his judgment that it would be far better to make such reduction during the current year and thereby be in a position to maintain a fairly static level of employment during the next fiscal year. The committee has sought to determine the facts in the matter and has had the Administrator before it on two occasions to discuss the question.

General Gray's testimony indicates that the proposed reduction does force the elimination of some 3,000 employees which, in his judgment, are actually needed to carry on the type of service which the Administration should be in a position to render if it is to administer effectively the various benefit acts. The salaries of these 3,000 employees to the end of the fiscal year will require \$3,000,000, which amount the committee recommends for appropriation. The committee has not attempted to allocate these employees among the various functions and services, but will rely upon the Administrator to make the allocation on such basis as will meet acute needs and relieve critical areas, including the hospitalization program, of problems resulting from personnel shortages.

Provision for these additional employees during the remainder of this fiscal year will make it necessary to provide the funds for their salaries in addition to estimates for 1949 or to include in the 1949 appropriations, in excess of the estimates, the funds necessary to pay the cost of their terminal leave and separation from the service. These alternatives will be considered by the committee in connection with the 1949 budget.

The Budget Bureau refused to approve an estimate for additional funds in 1949 based on this allowance of 3,000 employees. The committee has inquired into the situation and learns that, of the 3,000 employees, 1,750 were allocated to general administration and 1,250 to the medical program. So far as the medical program is concerned, the addition of 1,250 employees to the April 30 total employment, which was the low point during the year, leaves an increase of approximately 15,000 in 1949 over the April 30 figure plus the 1,250 allowed in the deficiency bill. Dr. Magnuson testified that he could operate the hospitals at 86.17 percent of capacity with the number of personnel allowed in the budget. He further stated that he considered that any higher percentage would result in decreased efficiency and effectiveness. It is the committee's judgment that every effort should be made to maintain the necessary service within the limits suggested by Dr. Magnuson.

So far as general administration is concerned, the addition of 1,750 people to the April 30 total produces a total employment of approximately 100 above the 1949 figures. However, not all of the 1,750 have been employed and there are adequate funds in the budget to carry all employees currently on the rolls. At the time the deficiency, for which there was no budget estimate, was under consideration, the

committee was informed by Veterans' Administration officials that there would be a deficiency for the year, resulting from the medical facility operations, of something like \$12,000,000 in addition to the \$3,000,000 specifically allowed for new personnel. It now develops, however, that not only will there be no deficiency this year but very little of the \$3,000,000 will be required. The Administration reduced its employment by 8,500 and stated as its purpose the necessity of getting employment down to numbers which could be supported with the 1949 budget estimates. Subsequent developments indicate that a reduction in that magnitude was not necessary to meet the 1949 figure.

The situation described above is only one of a number of instances wherein difficulty has been experienced in analyzing the appropriation for salaries and expenses of the Veterans' Administration. The charge has been made that Congress had failed to appropriate adequately for the Veterans' Administration hospitals and other services to veterans when the real difficulty lay in the administration by the officials of the Veterans' Administration of this large unwieldy fund. In order that the budget may show explicitly the amounts intended to be provided for the various activities, the committee requests that in submitting estimates for the fiscal year 1950 amounts for maintenance of hospitals and domiciliary facilities be segregated and estimated for separately from the administrative expenses. It is further requested that the hospital and domiciliary service item be presented on such basis as to show clearly the numbers of medical personnel and attendants actually caring for patients as distinguished from those engaged in building maintenance and other service activities.

Printing and binding.—The bill includes \$3,148,000 for this purpose, a decrease of \$3,852,000 under the appropriation available for 1948 and a decrease of \$1,000,000 in the budget estimate. While the appropriation for this item for 1948 totaled \$7,000,000 it was testified that only one-half of that amount, or \$3,500,000 will be obligated in the fiscal year 1948.

Army and Navy Pensions.—The bill includes \$1,898,000,000 for the payment of compensation and pensions, which is \$50,000,000 less than the budget estimate. The Veterans' Administration estimates that they will have a balance available as of July 1, 1948, of \$156,571,859, which together with the amount recommended in this bill will make a total of \$2,054,571,859 available for fiscal year 1949. This is approximately the amount which it is estimated will be obligated for this item during the current year. This title covers the payment of all compensation, pensions, and allowances to veterans of the various wars of the Regular Establishment and their dependents in accordance with the laws enacted by Congress, and also for the payment of subsistence allowances to disabled veterans receiving occasional rehabilitation under Public Law 16, Seventy-eighth Congress, as amended.

The reduction made in this item will in no way affect the amounts of pensions paid to any veteran inasmuch as such amounts are established by statute, and in the event the appropriation proves inadequate it will be necessary to provide supplemental funds.

It should be pointed out that the Veterans' Administration and the Bureau of the Budget estimates on this item have been far from reliable. The original estimate for the fiscal year 1948 was \$2,490,000,000. After the Committee on Appropriations investigative staff

analyzed the item and conferred with the Veterans' Administration and Bureau of the Budget officials on it, they reduced it \$270,000,000. The Committee on Appropriations reviewed the matter and decided it was still too high and made a further reduction of \$50,000,000, making a total reduction below original estimates of \$320,000,000. Now the committee is advised that the carry-over will amount to almost \$160,000,000. In other words, the original estimates as submitted to the Congress for 1948 were approximately \$480,000,000 above the amount actually required. Therefore, the committee has no hesitancy in making the slight reduction proposed in the 1949 budget.

Readjustment benefits.—The committee recommends \$1,979,027,000 for the payment of benefits to or on behalf of veterans as authorized by titles II, III, and V of the Servicemen's Readjustment Act of 1944, as amended. This is a reduction of \$250,000,000 below the budget estimate. Of this reduction \$200,000,000 is to be applied to the item "Education and Training," and \$50,000,000 to the item "Readjustment Allowances." The amount appropriated for 1948 was \$3,719,860,000, out of which amount it is estimated that \$609,-210,541 will be carried forward and available for use in 1949. The reduction of \$50,000,000 on the item for readjustment allowance will in no way affect the payments to the veterans as the amounts of such payments are set by statute. This item provides for the payments to veterans of World War II for total or partial unemployment. The estimate for this item was based on trends established during fiscal year 1947 and the first quarter of 1948.

The committee's attention was called to the situation existing in connection with the education and training program, Servicemen's Readjustment Act. There is quoted herewith a portion of a letter from the Director, Bureau of the Budget, under date of February 18, 1948, in which a copy of a report of the Bureau of the Budget on the Servicemen's Readjustment Act was transmitted:

During the past year, there have been brought to the attention of the Bureau of the Budget certain training activities being conducted under the Servicemen's Readjustment Act which do not appear to be in accordance with the purpose of the act, as contemplated by the Congress. These activities, which involve training for avocational and recreational purposes, are being carried on at a cost of more than \$200,000,000 a year.

To provide a basis for determining whether congressional action appeared desirable in August of 1947, I requested General Bradley to have the Veterans' Administration cooperate in obtaining facts concerning the type of training involved. This material has been brought together in the attached report, which suggests modification of the present act, providing a substantial saving of governmental expenditure without altering its basic purpose. The report has been discussed with the Administrator of Veterans' Affairs, Mr. Carl R. Gray, who believes that review of the existing law for the purposes of clarification is desirable.

The report is related to the statement in the President's recent budget message which reads in part as follows: "* * * The law (the Servicemen's Readjustment Act) is being used in some cases to provide training for avocational or leisure-time activities at high cost to the Government and without commensurate benefit to veterans. * * * A reexamination of the basic purposes of the law and suitable modification of its provisions should result in substantial savings. * * *" The recommendations made in the report are in accordance with the President's program.

The report of the Bureau of the Budget states that there are a number of special courses available to veterans in various States for

which there seems to be little legitimate vocational or occupational justification and further states:

Although many of these special courses can fill a demonstrated vocational need for veterans legitimately interested in special vocational fields, there is no adequate control now possible which permits the separation of those legitimately interested in learning and fitting themselves for an occupation from those who are interested in the subject purely from a hobby or leisure-time standpoint.

The committee recommends the following limitation, prepared at the request of the committee by the Veterans' Administration:

Provided, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character.

It is to be noted that this does not affect any veterans enrolled prior to July 1, 1948, and that the determination as to whether a course is avocational or recreational is vested in the Administrator.

Military and naval insurance.—The bill includes \$5,096,000, which is a decrease of \$4,000,000 in the budget estimate and is a decrease of \$6,054,000 when compared with the appropriation for the fiscal year 1948. The Veterans' Administration testified that it was their belief that a reduction of \$4,000,000 could be made in this item. This appropriation covers payments arising from contracts with World War I veterans for what was known as war risk insurance. Payments now being made are those to veterans who suffered a permanent and total disability as a result of war service or during the postwar period in which they carried this type of insurance; payments to beneficiaries of members of the armed services who died in service or during the postwar period during which this type of insurance was in force; and payment to the United States Government life insurance fund to meet obligations sustained by that fund incident to the extra hazard of military or naval service in the case of persons so engaged while protected by the United States Government life insurance policies.

Hospital and domiciliary facilities.—The committee recommends \$202,000,000 plus \$43,000,000 in contract authority for this item. A reduction of \$28,000,000 in the budget estimate was made on the basis of testimony that the estimated expenditures for fiscal year 1949 would be \$412,000,000 and that as of July 1, 1948, there would be \$210,034,605 available from previous appropriations. The appropriation of \$202,000,000 recommended by the committee when added to the \$210,034,605 available from previous appropriations totals \$412,034,605 which is slightly more than the estimated expenditure. It can be seen from the above figures that the hospital program will not be delayed or retarded in any respect by the reduction recommended by the committee. The \$43,000,000 contract authorization which the committee recommends consists of \$15,000,000 to cover an increase in the estimated cost of the 1947 new hospital program and \$28,000,000 for the 1949 nonbed programs at existing hospitals, consisting of essential major replacements, new construction, and alterations to existing structures.

National service life insurance.—The bill includes the budget estimate of \$49,320,000, which is a reduction of \$12,897,000 under the 1948 appropriation. This item covers payments to the national service life insurance trust fund to meet obligations sustained by that

fund incident to mortality costs on account of deaths traceable to the extra hazards of military or naval service; the cost of waiver of premiums on account of total disability traceable to such extra hazards; cost of waiver of recovery of payments under the provisions of section 609 (a) on national service life insurance policies in accordance with the provisions of part I, title VI, Public Law 801, Seventy-sixth Congress; and the payment of benefits directly from and the crediting of premiums directly to the appropriation under the authority of the act, as amended, August 1, 1946, Public Law 589, Seventy-ninth Congress.

Soldiers' and sailors' civil relief.—The bill includes the budget estimate of \$65,000 for this item. The 1948 appropriation for this purpose was \$833,000 and it is estimated that \$440,563 of this amount will remain available for 1949. The Soldiers' and Sailors' Civil Relief Act of 1940, as amended, provides protection for commercial private life insurance policies carried by servicemen before entry into military service. Arrangement was made through this act whereby premiums becoming due while in service and for 2 years after discharge could be charged as a loan against the policy. The function of the Government is to guarantee to the insurance company the repayment of any indebtedness not liquidated by the insured himself. Any payment made by the Government is a debt owed to the United States by such insured. The number of cases approved for protection as of June 30, 1947, was 89,002.

Veterans' miscellaneous benefits.—The committee has approved the budget estimate of \$51,883,000 for the fiscal year 1949, which covers the cost of payment of burial expenses authorized by Veterans Regulation 9 (a) as amended, and for supplies, equipment and tuition for veterans in training under Public Law 16. The estimated cost of statutory burial allowances is \$11,701,500. The cost of tuition, supplies, and equipment for disabled veterans pursuing courses of training under Public Law 16, Seventy-eighth Congress, as amended, is \$54,973,238. The difference of \$14,791,738 is estimated to be carried forward from the current year's funds. It is estimated that an average of 216,200 will receive vocational rehabilitation during 1949, with an average of 109,500 receiving institutional training and 106,700 receiving job training.

SURPLUS PROPERTY DISPOSAL

The problem of disposing of wartime acquired property, both real and personal, no longer needed by the Government has presented one of the most involved and difficult questions ever to confront the Congress and the executive branch. In the first place, the problem was far from new as demonstrated by the fact that one of the first items of surplus property turned over for disposal when the program began in 1944 was a large quantity of spurs left over from the cavalry of the First World War. From 1944 to date the responsibility for disposition of surplus property has passed successively through the hands of the Surplus War Property Administration, the Surplus Property Board, the Surplus Property Administration, the Reconstruction Finance Corporation and its subsidiary War Assets Corporation, and finally, in 1946, the War Assets Administration where the authority now reposes.

None of these various transfers and reorganizations has attained a satisfactory conclusion. The Surplus Property Act of 1944 and its various amendments established a system of intricate priorities which admittedly were difficult of administration and rendered the movement of property from the hands of the Government to anxiously waiting purchasers a cumbersome process. But, on the other hand, the administration of these priorities was so inept and inefficient as to bring about results which can be characterized only as ludicrous. One of the primary purposes of the act was to insure that veterans should be accorded priority to purchase various types of equipment, etc., to assist them in reestablishing themselves in business and on the farm upon their discharge from the service. The regulations that were issued to carry out the act seemed adequate enough on paper. But in actual operation the administrative officials failed literally to carry out their own regulations to such an extent that the mail of Congress has carried a running fire of protest from every section of the country. Veterans were either not securing the priority to which they were entitled under the law, or were being forced to wait such long periods before delivery of property after approval of priority that there was no advantage in attempting to secure surplus Government property rather than purchase in the open market. As a matter of fact, many veterans would have failed in business before they ever started had they waited to secure their equipment from Government surplus.

The Committee on Appropriations has kept in constant contact with this program from its inception, and during the past 2 years has kept in close touch with developments. There will remain on hand as of June 30, 1948, the following inventories, the value shown being the original cost to the Government:

Real property-----	\$2, 685, 000, 000
Aircraft and aircraft parts-----	873, 000, 000
Other personal property-----	667, 000, 000

If this property is to be placed in the hands of those who can derive some benefit from it, immediate action must be taken as the obsolescence and deterioration factors rapidly are making it worthless. The net return to the Government above expenses of disposal shortly will dwindle to the vanishing point and in many cases maintenance and storage charges already have eaten up the price at which property may be sold.

After considering all these factors, and consultation with members of the Committees on Expenditure in the Executive Departments, the committee has concluded that, in order to protect the interest of the Government in securing a maximum return for this property as well as insure the early utilization of these surpluses by those who desire them, it is necessary to make immediate and rather far-reaching changes in the system. To accomplish this purpose legislation has been included in the accompanying bill, the salient features of which are:

1. The War Assets Administration is abolished, effective August 31, 1948, and its functions transferred as follows:
 - (a) Real property to Reconstruction Finance Corporation.
 - (b) Aircraft and parts to the Department of the Air Force.

(c) Other personal property to the Bureau of Federal Supply.

(d) Liquidation of the affairs of the War Assets Administration to the Treasury Department.

2. The Surplus Property Act of 1944 continues in effect until December 31, 1949, when, in any event, it will expire by operation of law except that the priorities and preferences authorized by the act shall not continue beyond August 31, 1948. These priority and preference provisions, regardless of their original purpose, have been so administered as to have been of dubious value, and the point has now been reached where they constitute a practical blockade against the movement of property.

3. Any property which has not been declared surplus to the War Assets Administration on the date of enactment of the accompanying bill will be disposed of in accordance with permanent law without reference to the Surplus Property Act of 1944.

4. The heads of the agencies to which property is transferred will have authority to dispose of personal property, if in the interest of the Government to do so, by abandonment, destruction, or donation to public bodies.

5. Any personal property may be transferred without charge to other agencies of the Government if by such transfer such property may be put to public use.

6. Each of the agencies to which functions are transferred will be required to report to the Committees on Appropriations of the House and Senate at the end of each month on progress made. The Committee on Appropriations of the House will expect to analyze these reports currently and to secure in connection with the budgets for such agencies for the fiscal year 1950 a full statement of work remaining and their recommendations as to disposal of any items for which there is determined to be no market and of which such agency finds itself unable to make appropriate disposition otherwise.

7. The War Assets Administration budget for 1949 was \$106,912,-000. To carry out the purposes as set forth in the bill, the committee recommends an appropriation of \$50,000,000 to be allocated by the Director of the Budget, who will also act as referee in the distribution of records, administrative property, etc., among the transferee agencies.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On pages 6 and 7 in connection with the appropriation for operating-differential subsidies, United States Maritime Commission:

Provided, That to the extent that the operating-differential subsidy accrual (computed on the basis of parity) is represented on the operator's books by a contingent accounts receivable item against the Commission as a partial or complete offset to the recapture accrual, the operator (1) shall be excused from making deposits in the Special Reserve Fund and, (2) as to the amount of such earnings the deposit of which is so excused, shall be entitled to the same tax treatment as though it had been deposited in said Special Reserve Fund. To the extent that any amount paid to the operator by the Commission reduces the balance in the operator's contingent receivable account against the Commission, such amount, unless it is forthwith deposited in the fund, shall be considered as withdrawn under Section 607 (h) of the Merchant Marine Act, 1936, as amended.

On pages 9 and 10 in connection with the United States Maritime Commission:

Notwithstanding any other provisions of this Act, the Commission is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Commission, and payments received by the Commission for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: Provided, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

The United States Maritime Commission shall not incur any obligations during the fiscal year 1949 from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, provided that nothing contained herein and in the Independent Offices Appropriation Act, 1948, approved July 30, 1947, shall be construed to affect the authority of the Commission pursuant to the provisions of section 603 (a) of the Merchant Marine Act, 1936, as amended (1) to grant operating differential subsidies on a long-term basis and (2) to obligate the United States to make future payments in accordance with the terms of such operating-differential subsidy contracts, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts.

On page 14 in connection with the appropriation for "Readjustment benefits," Veterans' Administration:

Provided, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character.

On pages 17, 18, 19, and 20 in connection with the appropriation, "Surplus Property Disposal":

Effective August 31, 1948, the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) *All right, title, and interest in surplus real property and all right, title, and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(2) *All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(3) *All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(4) *Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;*

(5) *Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: Provided, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an independent agency of the Government;*

(6) *The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that Act;*

(7) *Priorities and preferences provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948;*

(8) *The agencies herein authorized to dispose of surplus personal property may,*

after August 31, 1948, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.

For administrative expenses in connection with the functions herein authorized to be administered by the War Assets Administration, the Treasury Department, the Department of the Air Force and the Reconstruction Finance Corporation, to be available for the same purposes as the appropriation for salaries and expenses, War Assets Administration, fiscal year 1948, and whenever in such appropriation the title "War Assets Administrator" appears it shall be construed to include his successor as to any of the functions herein transferred, \$50,000,000, from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, to be allocated as the Director of the Bureau of the Budget may determine: Provided, That the sum herein provided may be obligated during the period ending August 31, 1948, with respect to the War Assets Administration, and during the period ending March 31, 1949, with respect to the other agencies involved.

COMPLIANCE WITH CLAUSE 2A OF RULE XIII

On pages 22, 23, and 24 of the bill: Section 207 of Public Law 491, Eightieth Congress:

SEC. 104. *Section 207 of the Independent Offices Appropriation Act, 1949, is hereby amended to read as follows:*

"Sec. 207. Any appropriations or funds available to the executive departments, independent establishments, and wholly owned Government corporations for the payment of salaries and compensation to persons stationed outside the continental United States or in Alaska whose rates of basic compensation are fixed by statute, shall be available for the payment of additional compensation to such persons, based on living costs substantially higher than in the District of Columbia, or conditions of environment which differ substantially from conditions of environment in the States and warrant additional compensation as a recruitment incentive, or both such factors: Provided, That such additional compensation, except as otherwise specifically authorized by law, shall be paid only in accordance with regulations prescribed by the President establishing rates of such additional compensation and defining the area, groups of positions, and classes of persons to which each such rate applies: Provided further, That no additional compensation based on living costs substantially higher than in the District of Columbia shall be paid under this section to any person who is entitled to receive a cost-of-living allowance under section 901 (2) of the Foreign Service Act of 1946 or section 204 of this Act: Provided further, That such additional compensation shall not exceed in any instance 25 per centum of the rate of basic compensation: Provided further, That this section shall be effective sixty days after the date of approval of this Act, or on such earlier date as may be specified in regulations issued by the President hereunder, and additional compensation payable under regulations and procedures in effect on the date of approval of this Act may continue to be paid until the effective date of this section."

SEC. 207. Except as otherwise provided by law, any appropriations or funds available to the executive departments, independent establishments, and corporations for the payment of salaries and compensation to persons employed outside the continental United States or in Alaska shall be available for the payment of such salaries and compensation only in accordance with regulations prescribed by the President at rates of pay equal to those paid for the same or similar services of persons employed by the Government in continental United States, plus not to exceed 25 per centum: *Provided, That no such salary or compensation shall exceed the maximum provided by the Classification Act of 1923, as amended.*

**COMPARATIVE STATEMENT SHOWING CONTRACT AUTHORIZATIONS, 1948, ESTIMATED FOR 1949, AND
THE AMOUNT RECOMMENDED IN THE BILL FOR 1949**

Agency	Authorization, 1948	Estimated authorization, 1949	Recommended in bill for 1949	Increase (+) or decrease (-), bill compared with 1948 authorization	Increase (+) or decrease (-), bill compared with 1949 budget estimates
Atomic Energy Commission-----	\$400, 000, 000	\$400, 000, 000	\$400, 000, 000	-----	-----
U. S. Maritime Commission-----	-----	60, 142, 000	75, 000, 000	+\$75, 000, 000	+\$14, 858, 000
Veterans' Administration-----	338, 250, 000	43, 000, 000	43, 000, 000	-\$295, 250, 000	-----
Total, contract authorizations-----	738, 250, 000	503, 142, 000	518, 000, 000	-\$220, 250, 000	+\$14, 858, 000

PERMANENT AND INDEFINITE ANNUAL AND TRUST ACCOUNT APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (-)
GENERAL AND SPECIAL FUNDS			
U. S. Maritime Commission: Payments from proceeds of motor-propelled vehicle sales-----	\$700	-----	--\$700
Veterans' Administration:			
Relief of Mary L. Dickson-----	240	\$240	-----
Payments from proceeds of motor-propelled vehicle sales-----	42, 000	42, 000	-----
Total, permanent appropriations, general and special funds-----	42, 940	42, 240	--700

TRUST FUNDS

U. S. Maritime Commission:

Unearned moneys, merchant ship sales-----100, 000--400, 000

Unclaimed moneys due creditors of contractors-----200, 000--200, 000

Veterans' Administration:

U. S. Government life insurance fund-----97, 618, 000--1, 382, 000

Personal funds of patients-----15, 000, 000+2, 100, 000

General post fund-----450, 000-----

Adjusted service certificate fund-----215, 000--150, 000

National service life insurance fund-----646, 786, 000--59, 956, 472

Funds due incompetent beneficiaries-----9, 000, 000+500, 000

Unclaimed moneys of individuals whose whereabouts are known-----50+22

Total, permanent appropriation trust funds-----

828, 657, 500--59, 488, 450

Total permanent appropriations-----

769, 211, 290--59, 489, 150

COMPARATIVE STATEMENT OF THE AMOUNTS APPROPRIATED FOR THE FISCAL YEAR 1948, THE BUDGET ESTIMATES FOR THE FISCAL YEAR 1949, AND THE AMOUNTS RECOMMENDED IN THE ACCOMPANYING BILL FOR 1949

[Note.—Appropriations for 1948 include supplemental and deficiency appropriations]

Object	Appropriations, 1948	Budget estimates, 1949	Recommended in bill for 1949	Increase (+) or decrease (—), bill compared with 1948 appropriations	Increase (+) or decrease (—), bill compared with 1949 budget estimates
Office of Defense Transportation-----	¹ \$410, 000	² \$445, 000	\$340, 000	—\$70, 000	—\$105, 000
Atomic Energy Commission-----	³ 175, 000, 000	⁴ 550, 000, 000	⁵ 501, 850, 000	+326, 850, 000	—48, 150, 000
Office of the Housing Expediter-----	⁶ 24, 199, 000	⁷ 20, 500, 000	15, 172, 100	—9, 026, 900	—5, 327, 900
U. S. MARITIME COMMISSION					
Administrative expenses, available from construction fund-----	<i>208, 206, 774</i>			—208, 206, 774	
Salaries and expenses-----		⁸ 95, 321, 000	⁹ 68, 360, 775	+68, 360, 775	—26, 960, 225
Maritime training-----	7, 320, 000	6, 868, 000	8, 133, 080	+813, 080	+1, 265, 080
State marine schools-----	450, 000	400, 000	400, 000	—50, 000	
War Shipping Administration, operations of-----	¹⁰ 175, 459, 000			—175, 459, 000	
Vessel operating functions-----		¹¹ 39, 264, 000	25, 483, 976	+25, 483, 976	—13, 780, 024
War Shipping Administration, liquidation of obligations, Jan. 1, 1947, to June 30, 1947-----	¹⁰ 44, 600, 000			—44, 600, 000	

War Shipping Administration, liquidation of obligations-----	200,000,000	(12)	(12)	-200,000,000	-----
Total direct appropriation, United States Maritime Commission-----	207,770,000	141,853,000	102,377,831	-105,392,169	-39,475,169
Total all funds, United States Maritime Commission-----	636,035,774	141,853,000	102,377,831	-533,657,943	-39,475,169
VETERANS' ADMINISTRATION					
Administration, medical, hospital, and domiciliary services-----	13 901,010,780	14 954,755,000	936,755,000	+35,714,220	-18,000,000
Printing and binding-----	7,000,000	4,148,000	3,148,000	-3,852,000	-1,000,000
Penalty-mail costs-----	3,900,000	3,600,000	-----	-3,900,000	-3,600,000
Tort claims-----	26,500	15,000	15,000	-11,500	-----
Administrative facilities-----	3,100,000	-----	-----	-3,100,000	-----

¹ Includes \$10,000 in Urgent Deficiency Appropriation Act, 1948.

² Contained in H. Doc. No. 507.

³ And contract authorization of \$400,000,000, which includes \$150,000,000 in contract authorization contained in First Deficiency Appropriation Act, 1948.

⁴ And contract authorization of \$400,000,000.

⁵ And contract authorization of \$400,000,000.

⁶ Includes \$2,000,000 in First Deficiency Appropriation Act, 1948.

⁷ Contained in H. Doc. No. 631.

⁸ And contract authorization of \$60,142,000. Includes \$19,901,879 in cash and \$44,822,000 in contract authorization in House Doc. No. 618.

⁹ And contract authorization of \$75,000,000.

¹⁰ Receipts from vessel operations made available for operations of War Shipping Administration under P. L. 299, 430 and 519.

¹¹ Includes \$440,000 in House Doc. No. 618.

¹² Unexpended balance continued available.

¹³ Includes \$3,000,000 in First Deficiency Appropriation Act, 1948.

¹⁴ Includes \$13,963,000 in H. Doc. 630 and \$4,021,000 in H. Doc. 681.

Comparative statement of the amounts appropriated for the fiscal year 1948, the budget estimates for the fiscal year 1949, and the amounts recommended in the accompanying bill for 1949—Continued

Object	Appropriations, 1948	Budget estimates, 1949	Recommended in bill for 1949	Increase (+) or decrease (-), bill compared with 1948 appropriations	Increase (+) or decrease (-), bill compared with 1949 budget estimates
VETERANS' ADMINISTRATION—continued					
Pensions-----	\$2, 171, 915, 000	\$1, 948, 000, 000	\$1, 898, 000, 000	-\$273, 915, 000	-\$50, 000, 000
Readjustment benefits-----	3, 719, 860, 000	¹⁵ 2, 229, 027, 000	1, 979, 027, 000	-1, 740, 833, 000	-250, 000, 000
Military and naval insurance-----	11, 150, 000	9, 096, 000	5, 096, 000	-6, 054, 000	-4, 000, 000
Hospital and domiciliary facilities-----	(¹⁶)	¹⁷ 230, 000, 000	¹⁸ 202, 000, 000	+202, 000, 000	-28, 000, 000
Operation of canteens-----	965, 000	-----	-----	-965, 000	-----
National service life insurance-----	62, 217, 000	49, 320, 000	49, 320, 000	-12, 897, 000	-----
Soldiers' and sailors' civil relief-----	833, 000	65, 000	65, 000	-768, 000	-----
Automobiles for disabled veterans-----	5, 000, 000	-----	-----	-5, 000, 000	-----
Veterans' miscellaneous benefits-----	85, 449, 800	51, 883, 000	51, 883, 000	-33, 566, 800	-----
Total, Veterans' Administration-----	6, 972, 457, 080	5, 479, 909, 000	5, 125, 309, 000	-1, 847, 148, 080	-354, 600, 000
Surplus Property Disposal ¹⁹ -----	257, 149, 270	²⁰ 106, 912, 000	50, 000, 000	-207, 149, 270	-56, 912, 000
Grand total, direct appropriations-----	7, 636, 985, 350	6, 299, 619, 000	5, 795, 048, 931	-1, 841, 936, 419	-504, 570, 069
Grand total, all funds-----	8, 065, 251, 124	6, 299, 619, 000	5, 795, 048, 931	-2, 270, 202, 193	-504, 570, 069

¹⁵ Includes \$310,122,000 in H. Doc. 673.

¹⁶ And contract authorization of \$338,250,000.

¹⁷ And contract authorization of \$43,000,000.

¹⁸ And contract authorization of \$43,000,000.

¹⁹ Submitted in budget under heading "War Assets Administration."

²⁰ Contained in H. Doc. 648.

Union Calendar No. 1110

80TH CONGRESS
2D SESSION

H. R. 6829

[Report No. 2245]

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1948

Mr. WIGGLESWORTH, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the Execu-
- 5 tive Office and sundry independent executive bureaus,

1 boards, commissions, and offices, for the fiscal year ending
2 June 30, 1949, namely:

3 EXECUTIVE OFFICE OF THE PRESIDENT

4 OFFICE FOR EMERGENCY MANAGEMENT

5 OFFICE OF DEFENSE TRANSPORTATION

6 Salaries and expenses: For expenses necessary for the
7 Office of Defense Transportation, including salary of the
8 Director at not to exceed \$12,000, and the Deputy Director
9 at \$10,000; personal services in the District of Columbia;
10 not to exceed \$54,000 for travel expenses, including expenses
11 of attendance at meetings concerned with the work of the
12 agency; not to exceed \$6,500 for printing and binding; serv-
13 ices as authorized by section 15 of the Act of August 2, 1946
14 (5 U. S. C. 55a) ; \$340,000, of which \$60,000 shall be avail-
15 able exclusively for terminal-leave payments: *Provided*, That
16 the foregoing amounts may be obligated during the period
17 ending February 28, 1949: *Provided further*, That the pay-
18 ment of subsistence to witnesses shall be subject to certifica-
19 tion by the Director of the Office of Defense Transportation
20 or his designee, as to the necessity therefor: *Provided*
21 *further*, That in operating any commercial railroad or truck
22 line the Office of Defense Transportation shall pay whatever
23 license or inspection fees and highway use compensation taxes
24 such lines would have been obligated to pay had they con-
25 tinued in operation under the control of the owners thereof.

ATOMIC ENERGY COMMISSION

For expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, including personal services in the District of Columbia and employment of aliens; purchase of land and interests in land; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of passenger motor vehicles for replacement only; purchase, maintenance, and operation of aircraft; printing and binding; health-service program as authorized by law (5 U. S. C. 150); publication and dissemination of atomic information; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals and travel expenses; and payment of obligations incurred under prior year contract authorizations; \$501,850,000, of which amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended; from which appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation

1 to which transferred; and in addition to the amount herein
2 provided, the Commission is authorized to contract for the
3 purposes of this appropriation during the fiscal year in
4 an amount not exceeding \$400,000,000: *Provided*, That no
5 part of this appropriation shall be used to pay the salary of
6 any officer or employee (except such officers and employees
7 whose compensation is fixed by law, and scientific and tech-
8 nical personnel) whose position would be subject to the
9 Classification Act of 1923, as amended, if such Act were
10 applicable to such position, at a rate in excess of the rate
11 payable under such Act for positions of equivalent difficulty
12 or responsibility.

13 HOUSING EXPEDITER

14 Salaries and expenses, Office of the Housing Expediter:
15 For expenses necessary to carry out the functions of the
16 Office of the Housing Expediter, including personal services
17 in the District of Columbia; attendance at meetings of organ-
18 izations concerned with rent control; hire of passenger motor
19 vehicles; printing and binding; services as authorized by
20 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
21 not to exceed \$5,000 for payment of claims pursuant to sec-
22 tion 403 of the Federal Tort Claims Act (28 U. S. C. 921);
23 and health service program as authorized by law (5 U. S. C.
24 150); \$15,172,100: *Provided*, That the foregoing amounts
25 may be obligated during the period ending March 31, 1949:

1 *Provided further*, That any employee of the Office of the
2 Housing Expediter is authorized and empowered, when
3 designated for the purpose by the Housing Expediter, to
4 administer to or take from any person an oath, affirmation,
5 or affidavit when such instrument is required in connection
6 with the performance of the functions or activities of the
7 Housing Expediter.

8 UNITED STATES MARITIME COMMISSION

9 Salaries and expenses: For expenses necessary for carry-
10 ing into effect the Merchant Marine Act, 1936, and other laws
11 administered by the United States Maritime Commission,
12 \$68,360,775, within limitations as follows:

13 Administrative expenses, including personal services in
14 the District of Columbia; printing and binding; not to exceed
15 \$2,000 for newspapers and periodicals; not to exceed \$18,750
16 for services as authorized by section 15 of the Act of August
17 2, 1946 (5 U. S. C. 55a); and not to exceed \$1,125 for
18 entertainment of officials of other countries when specifically
19 authorized by the Chairman; in all, not to exceed
20 \$10,600,000: *Provided*, That during the fiscal year ending
21 June 30, 1949, the salaries of the Commissioners of the
22 United States Maritime Commission with the exception of
23 the Chairman, shall be at the rate of \$10,000 each per annum;

24 New ship construction, including reconditioning and
25 betterment, \$29,000,000; and, in addition, the Commis-

1 sion is authorized to enter into contracts for new ship con-
 2 struction in an amount not to exceed \$75,000,000: *Pro-*
 3 *vided*, That all authority granted to incur obligations for
 4 these purposes during 1948 and prior fiscal years not exer-
 5 cised prior to July 1, 1948, is hereby revoked, except that
 6 not to exceed \$99,000,000 of the funds appropriated for
 7 "New ship construction, reconditioning, and betterment" in
 8 the Independent Offices Appropriation Act, 1948, shall
 9 continue to be available until September 30, 1948;

10 Maintenance of shipyard facilities, \$529,000;

11 Operation of warehouses, \$792,000;

12 Operating-differential subsidies, \$16,691,775: *Provided*,
 13 That to the extent that the operating-differential subsidy
 14 accrual (computed on the basis of parity) is represented on
 15 the operator's books by a contingent accounts receivable
 16 item against the Commission as a partial or complete offset
 17 to the recapture accrual, the operator (1) shall be excused
 18 from making deposits in the Special Reserve Fund and,
 19 (2) as to the amount of such earnings the deposit of which
 20 is so excused, shall be entitled to the same tax treatment as
 21 though it had been deposited in said Special Reserve Fund.
 22 To the extent that any amount paid to the operator by the
 23 Commission reduces the balance in the operator's contingent
 24 receivable account against the Commission, such amount,
 25 unless it is forthwith deposited in the fund, shall be con-

1 sidered as withdrawn under Section 607 (h) of the Mer-
2 chant Marine Act, 1936, as amended;

3 Reserve fleet expense, \$9,663,000;

4 Maintenance and operation of terminals, \$585,000;

5 Miscellaneous expenses, including payment of claims
6 pursuant to section 403 of the Federal Tort Claims Act
7 (28 U. S. C. 921), \$500,000.

8 Whenever, in connection with any transaction involving
9 the sale, purchase, or requisition of any vessel, the United
10 States shall be or become obligated to pay any sum to the
11 other party to the transaction and said other party shall be
12 or is indebted to the United States on account of any transac-
13 tion involving the sale, purchase, or requisition of any vessel
14 the amount so owing to the United States shall be deducted
15 from the amount due the other party, and hereafter no officer
16 or employee of the Government shall pay to such other party
17 a sum greater than the net amount owing the other party.

18 Maritime training: For training personnel for the man-
19 ning of the merchant marine (including operation of training
20 stations at Kings Point, New York; Sheepshead Bay, New
21 York; Pass Christian, Mississippi; Saint Petersburg,
22 Florida; and Alameda, California), including not to
23 exceed \$3,300,000 for personal services (exclusive
24 of pay of trainees) in the District of Columbia and
25 elsewhere; expenses of attendance at meetings con-

cerned with the work of the Commission when specifically authorized by the Chairman; printing and binding; health service program as authorized by law (5 U. S. C. 150); not to exceed \$2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; and not to exceed \$126,896 for transfer to applicable appropriations of the Public Health Service for services rendered the Commission; \$8,133,080.

State marine schools: To reimburse the State of California, \$50,000; the State of Maine, \$50,000; the State of Massachusetts, \$50,000; and the State of New York, \$50,000; for expenses incurred in the maintenance and support of marine schools in such States as provided in the Act authorizing the establishment of marine schools, and so forth, approved March 4, 1911, as amended (34 U. S. C. 1121-1123); and for the maintenance and repair of vessels loaned by the United States to the said States for use in connection with such State marine schools, \$200,000; in all, \$400,000.

Vessel operating functions: For expenses (other than administrative expenses) necessary for carrying out, until March 1, 1949, the operating functions transferred to the United States Maritime Commission by section 202 of the Naval Appropriation Act, 1947 (60 Stat. 501), \$25,483, 976: *Provided*, That receipts from such functions during the

1 fiscal year 1949 shall be deposited in the Treasury as miscel-
2 laneous receipts.

3 War Shipping Administration liquidation: The unex-
4 pended balance of the appropriation to the Secretary of the
5 Treasury in the Second Supplemental Appropriation Act,
6 1948, for liquidation of obligations found by the General
7 Accounting Office to have been properly incurred against
8 funds of the War Shipping Administration prior to January 1,
9 1947, is hereby continued available from July 1, 1948,
10 until June 30, 1949: *Provided*, That hereafter all moneys
11 accruing to the United States Maritime Commission from
12 operations under the War Shipping Administration revolv-
13 ing fund prior to September 1, 1946 (including all moneys
14 received from agent operators), shall be covered into the
15 Treasury as miscellaneous receipts.

16 Notwithstanding any other provision of this Act, the
17 Commission is authorized to furnish utilities and services
18 and make necessary repairs in connection with any lease,
19 contract, or occupancy involving Government property
20 under control of the Commission, and payments received
21 by the Commission for utilities, services, and repairs so fur-
22 nished or made shall be credited to the appropriation
23 charged with the cost thereof: *Provided*, That rental pay-
24 ments under any such lease, contract, or occupancy on

1 account of items other than such utilities, services, or re-
2 pairs shall be covered into the Treasury as miscellaneous
3 receipts.

4 The United States Maritime Commission shall not incur
5 any obligations during the fiscal year 1949 from the con-
6 struction fund established by the Merchant Marine Act,
7 1936, or otherwise, in excess of the appropriations and limi-
8 tations contained in this Act: *Provided*, That nothing con-
9 tained herein and in the Independent Offices Appropriation
10 Act, 1948, shall be construed to affect the authority of the
11 Commission pursuant to the provisions of section 603 (a) of
12 the Merchant Marine Act, 1936, as amended, (1) to grant
13 operating differential subsidies on a long-term basis and
14 (2) to obligate the United States to make future payments
15 in accordance with the terms of such operating-differential
16 subsidy contracts, and all receipts which otherwise would
17 be deposited to the credit of said fund shall be covered into
18 the Treasury as miscellaneous receipts: *Provided further*,
19 That hereafter the Commission may make allowances to pur-
20 chasers of vessels for cost of putting such vessels in class, such
21 allowances to be determined on the basis of competitive bids,
22 without regard to the provisions of the last paragraph of
23 section 3 (d) of the Merchant Ship Sales Act of 1946.

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For necessary expenses of the Veterans' Administration, including maintenance and operation of medical, hospital, and domiciliary services, in carrying out the functions pursuant to all laws for which the Administration is charged with administering, including personal services in the District of Columbia; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; health service program as authorized by law (5 U. S. C. 150); purchase of three hundred and ninety passenger motor vehicles, of which two hundred and twenty-eight shall be for replacement only; utilization of Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as the Administrator may by regulation prescribe; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); maintenance and operation of farms; recreational articles and facilities at institutions maintained by the Veterans' Administration; expenses incidental to securing employment for war veterans; funeral, burial, and other expenses incidental

1 thereto for beneficiaries of the Veterans' Administration ex-
2 cept burial awards authorized by Veterans' Administration
3 Regulation Numbered 9 (a), as amended; the purchase of
4 tobacco to be furnished, subject to regulations of the Admin-
5 istrator, to veterans receiving hospital treatment or domi-
6 ciliary care in Veterans' Administration hospitals or homes;
7 aid to State or Territorial homes in conformity with the Act
8 approved August 27, 1888, as amended (24 U. S. C. 134),
9 for the support of veterans eligible for admission to Veterans'
10 Administration facilities for hospital or domiciliary care; the
11 purchase of printed reduced-fare requests for use by veterans
12 when traveling at their own expense from or to Veterans'
13 Administration facilities; not to exceed \$5,765 for news-
14 papers and periodicals; and not to exceed \$57,905 for the
15 preparation, shipment, installation, and display of exhibits,
16 photographic displays, moving pictures, and other visual
17 educational information and descriptive material, including
18 the purchase or rental of equipment; \$936,755,000, from
19 which allotments and transfers may be made to the Federal
20 Security Agency (Public Health Service), the Army, Navy,
21 and Interior Departments, for disbursement by them under
22 the various headings of their applicable appropriations, of
23 such amounts as are necessary for the care and treatment of
24 beneficiaries of the Veterans' Administration, including minor
25 repairs and improvements of existing facilities under their

1 jurisdiction necessary to such care and treatment: *Provided*,
2 That no part of this appropriation shall be used to pay in
3 excess of one hundred persons engaged in public relations
4 work: *Provided further*, That no part of this appropriation
5 shall be expended for the purchase of any site for or toward
6 the construction of any new hospital or home, or for the pur-
7 chase of any hospital or home; and not more than \$8,534,800
8 of this appropriation may be used to repair, alter, improve,
9 or provide facilities in the several hospitals and homes under
10 the jurisdiction of the Veterans' Administration either by
11 contract or by the hire of temporary employees and the
12 purchase of materials.

13 Printing and binding: For printing and binding,
14 \$3,148,000.

15 Tort claims: For payment of claims pursuant to section
16 403 of the Federal Tort Claims Act (28 U. S. C. 921),
17 \$15,000.

18 Pensions: For the payment of compensation, pensions,
19 gratuities, and allowances (including subsistence allowances
20 authorized by part VII of Veterans Regulation 1a, as
21 amended), authorized under any Act of Congress, or regu-
22 lation of the President based thereon, including emergency
23 officers' retirement pay and annuities, the administration
24 of which is now or may hereafter be placed in the Veterans'

1 Administration, and for the payment of adjusted-service
2 credits as provided in sections 401 and 601 of the Act of
3 May 19, 1924, as amended (38 U. S. C. 631 and 661),
4 \$1,898,000,000, to be immediately available and to remain
5 available until expended.

6 Readjustment benefits: For the payment of benefits to
7 or on behalf of veterans as authorized by titles II, III, and
8 V, of the Servicemen's Readjustment Act of 1944,
9 \$1,979,027,000, to be immediately available and to remain
10 available until expended: *Provided*, That no part of this
11 appropriation for education and training under title II of
12 the Servicemen's Readjustment Act, as amended, shall be
13 expended for tuition, fees, or other charges, or for subsistence
14 allowance, for any course elected or commenced by a veteran
15 on or subsequent to July 1, 1948, and which is determined
16 by the Administrator to be avocational or recreational in
17 character.

18 Military and naval insurance: For military and naval
19 insurance, \$5,096,000, to be immediately available and to
20 remain available until expended.

21 Hospital and domiciliary facilities: For hospital and
22 domiciliary facilities, \$202,000,000, to remain available until
23 expended for the payment of obligations heretofore or
24 herein authorized to be incurred under this head, and, in
25 addition, the Administrator of Veterans' Affairs is authorized

1 to incur obligations prior to July 1, 1950, in an amount
2 not exceeding \$43,000,000, for extending, with the approval
3 of the President, any of the facilities under the jurisdiction
4 of the Veterans' Administration or for any of the purposes
5 set forth in sections 1 and 2 of the Act approved March 4,
6 1931 (38 U. S. C. 438j-k), or in section 101 of the
7 Servicemen's Readjustment Act of 1944 (38 U. S. C.
8 693a) : *Provided*, That the authority contained in the Third
9 Urgent Deficiency Appropriation Act, 1946, and in the
10 Independent Offices Appropriation Act, 1948, to incur obli-
11 gations for the purposes of this appropriation is hereby
12 extended to July 1, 1950: *Provided further*, That not to
13 exceed 6.7 per centum of the foregoing appropriation and
14 contract authorizations shall be available for the employ-
15 ment in the District of Columbia and in the field of all
16 necessary technical and clerical personnel for the preparation
17 of plans and specifications for the projects as approved here-
18 under and in the supervision of the execution thereof, and
19 for all travel expenses, field office equipment, and supplies
20 in connection therewith, except that whenever the Veterans'
21 Administration finds it necessary in the construction of any
22 project to employ other Government agencies or persons
23 outside the Federal service to perform such services not
24 to exceed 10 per centum of the cost of such projects may be
25 expended for such services.

1 National service life insurance: For the payment of
2 benefits and for transfer to the national service life insurance
3 fund, in accordance with the National Service Life Insurance
4 Act of 1940, as amended, \$49,320,000, to be immediately
5 available and to remain available until expended: *Provided*,
6 That certain premiums shall be credited to this appropriation
7 as provided by the Act.

8 Soldiers' and sailors' civil relief: For payment of claims
9 as authorized by article IV of the Soldiers' and Sailors' Civil
10 Relief Act amendments of 1942, \$65,000, to be immediately
11 and continuously available until expended: *Provided*, That
12 any moneys received as repayment of debts incurred under
13 said article IV shall be credited to this appropriation.

14 Veterans' miscellaneous benefits: For the payment of
15 burial awards authorized by Veterans' Administration Regu-
16 lation Numbered 9 (a), as amended, and for supplies,
17 equipment, and tuition authorized by part VII of Veterans'
18 Administration Regulation Numbered 1 (a), as amended,
19 \$51,883,000, to remain available until expended.

20 No part of the foregoing appropriations shall be available
21 for hospitalization or examination of any persons except
22 beneficiaries entitled under the laws bestowing such benefits
23 to veterans, unless reimbursement of cost is made to the ap-
24 propriation at such rates as may be fixed by the Adminis-
25 trator of Veterans' Affairs.

1 SURPLUS PROPERTY DISPOSAL

2 Effective August 31, 1948, the War Assets Administra-
3 tion shall cease to exist as an agency of the Government
4 and its affairs, functions, and responsibilities shall thereafter
5 be disposed of and liquidated in accordance with the
6 following:

7 (1) All right, title, and interest in surplus real prop-
8 erty and all right, title, and interest in notes, mortgages,
9 and contracts of sale or lease in connection with surplus real
10 property shall be transferred to the Reconstruction Finance
11 Corporation to be held and disposed of by such Corporation
12 in accordance, except as provided herein, with the terms
13 of the Surplus Property Act of 1944, as amended;

14 (2) All aircraft and aircraft parts shall be transferred
15 to the Department of the Air Force to be held and disposed
16 of by such Department in accordance, except as provided
17 herein, with the terms of the Surplus Property Act of 1944,
18 as amended;

19 (3) All personal property (other than aircraft and
20 aircraft parts), except such as may be necessary to the
21 liquidation of the War Assets Administration or the exercise
22 of the functions transferred herein, shall be transferred
23 to the Bureau of Federal Supply, Treasury Department, to
24 be held and disposed of by such Bureau in accordance, ex-

1 cept as provided herein, with the terms of the Surplus
2 Property Act of 1944, as amended;

3 (4) Except as necessary to the administration of the
4 functions herein transferred to the Department of the Air
5 Force, the Reconstruction Finance Corporation, and the
6 Bureau of Federal Supply, all administrative property,
7 records, and accounts of the War Assets Administration
8 shall be transferred to the Treasury Department for liquida-
9 tion of the affairs of the War Assets Administration;

10 (5) Such administrative property, records, and per-
11 sonnel of the War Assets Administration as determined by
12 the Director of the Bureau of the Budget to be necessary
13 to the administration of any of the functions herein trans-
14 ferred shall be transferred to the agency to which such
15 function is transferred: *Provided*, That the right to reten-
16 tion in employment by the Government of the personnel so-
17 transferred shall be neither greater nor less than such right
18 would have been had the War Assets Administration con-
19 tinued as an independent agency of the Government;

20 (6) The provisions of section 9 of the Reorganization
21 Act of 1945 (Public Law 263, Seventy-ninth Congress)
22 shall apply to the transfers effected by this paragraph in like
23 manner as if such transfer were a reorganization of the agen-
24 cies and functions concerned under the provisions of that
25 Act;

1 (7) Priorities and preferences provided for in the Sur-
2 plus Property Act of 1944, as amended, shall not continue
3 beyond August 31, 1948;

4 (8) The agencies herein authorized to dispose of surplus
5 personal property may, after August 31, 1948, transfer any
6 of such property without charge to any other agency of the
7 Government if such property, by such transfer, can be put
8 to public use by the transferee agency;

9 (9) The agencies herein authorized to dispose of sur-
10 plus property shall proceed with due diligence and use all
11 reasonable means within the purview of this Act and the
12 Surplus Property Act of 1944, as amended, to accomplish
13 such purpose at the earliest practicable date and shall report
14 to the Committees on Appropriations of the Senate and the
15 House of Representatives at the end of each month as to
16 progress made;

17 (10) The Secretary of the Treasury, the Secretary of
18 the Air Force, or the Chairman of the Board of Directors
19 of the Reconstruction Finance Corporation may authorize
20 the abandonment, destruction, or donation to public bodies
21 of personal property herein transferred to their respective
22 agencies which has no commercial value or the estimated
23 cost of care and handling of which would exceed the estimated
24 proceeds from its sale;

25 (11) The Surplus Property Act of 1944, as amended,

1 shall not apply to property of the Government which has
2 not been declared surplus under the terms of such Act as of
3 the date of enactment hereof and any such property deter-
4 mined to be surplus shall be disposed of in accordance with
5 the terms of other existing law.

6 For administrative expenses in connection with the func-
7 tions herein authorized to be administered by the War
8 Assets Administration, the Treasury Department, the Depart-
9 ment of the Air Force and the Reconstruction Finance
10 Corporation, to be available for the same purposes as the
11 appropriation for salaries and expenses, War Assets Admin-
12 istration, fiscal year 1948, and whenever in such appropria-
13 tion the title "War Assets Administrator" appears it shall be
14 construed to include his successor as to any of the functions
15 herein transferred, \$50,000,000, from the special fund ac-
16 count in the Treasury as provided for in the First Deficiency
17 Appropriation Act, 1946, to be allocated as the Director of
18 the Bureau of the Budget may determine: *Provided*, That
19 the sum herein provided may be obligated during the period
20 ending August 31, 1948, with respect to the War Assets
21 Administration, and during the period ending March 31,
22 1949, with respect to the other agencies involved.

23 GENERAL PROVISIONS

24 SEC. 102. No part of any appropriation contained in
25 this Act shall be used to pay the salary or wages of any

1 person who engages in a strike against the Government of
2 the United States or who is a member of an organization of
3 Government employees that asserts the right to strike against
4 the Government of the United States, or who advocates, or
5 is a member of an organization that advocates, the over-
6 throw of the Government of the United States by force
7 or violence: *Provided*, That for the purposes hereof an
8 affidavit shall be considered prima facie evidence that
9 the person making the affidavit has not contrary to the
10 provisions of this section engaged in a strike against the
11 Government of the United States, is not a member of an
12 organization of Government employees that asserts the
13 right to strike against the Government of the United States,
14 or that such person does not advocate, and is not a member of
15 an organization that advocates, the overthrow of the Govern-
16 ment of the United States by force or violence: *Provided*
17 *further*, That any person who engages in a strike against the
18 Government of the United States or who is a member of an
19 organization of Government employees that asserts the right
20 to strike against the Government of the United States, or who
21 advocates, or who is a member of an organization that advo-
22 cates, the overthrow of the Government of the United States
23 by force or violence, and accepts employment the salary or
24 wages for which are paid from any appropriation contained
25 in this Act shall be guilty of a felony and, upon conviction,

1 shall be fined not more than \$1,000 or imprisoned for not
2 more than one year, or both: *Provided further*, That the
3 above penalty clause shall be in addition to, and not in sub-
4 stitution for, any other provisions of existing law.

5 SEC. 103. The funds appropriated herein shall be subject
6 to the general provisions of titles I and II of the Independent
7 Offices Appropriation Act, 1949.

8 SEC. 104. Section 207 of the Independent Offices Ap-
9 propriation Act, 1949, is hereby amended to read as follows:

10 "SEC. 207. Any appropriations or funds available to
11 the executive departments, independent establishments, and
12 wholly owned Government corporations for the payment of
13 salaries and compensation to persons stationed outside the
14 continental United States or in Alaska whose rates of basic
15 compensation are fixed by statute, shall be available for the
16 payment of additional compensation to such persons, based
17 on living costs substantially higher than in the District of
18 Columbia, or conditions of environment which differ sub-
19 stantially from conditions of environment in the States and
20 warrant additional compensation as a recruitment incentive,
21 or both such factors: *Provided*, That such additional com-
22 pensation, except as otherwise specifically authorized by
23 law, shall be paid only in accordance with regulations

1 prescribed by the President establishing rates of such addi-
2 tional compensation and defining the area, groups of posi-
3 tions, and classes of persons to which each such rate applies:
4 *Provided further*, That no additional compensation based
5 on living costs substantially higher than in the District of
6 Columbia shall be paid under this section to any person who
7 is entitled to receive a cost-of-living allowance under section
8 901 (2) of the Foreign Service Act of 1946 or section
9 204 of this Act: *Provided further*, That such additional
10 compensation shall not exceed in any instance 25 per centum
11 of the rate of basic compensation: *Provided further*, That
12 this section shall be effective sixty days after the date of
13 approval of this Act, or on such earlier date as may be
14 specified in regulations issued by the President hereunder,
15 and additional compensation payable under regulations and
16 procedures in effect on the date of approval of this Act may
17 continue to be paid until the effective date of this section.”

18 SEC. 105. This Act may be cited as “The Supplemental
19 Independent Offices Appropriation Act, 1949.”

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80TH CONGRESS
2D Session

H. R. 6829

[Report No. 2245]

A BILL

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

By Mr. WIGGLESWORTH

JUNE 8, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

1. SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL, 1949. The Appropriations Committee reported this bill, H. R. 6829 (H. Rept. 2245) (p. 7660).

Regarding the War Assets Administration, the committee report states: "The Surplus Property Act of 1944 and its various amendments established a system of intricate priorities which admittedly were difficult of administration and rendered the movement of property from the hands of the Government to anxiously waiting purchasers a cumbersome process. But, on the other hand, the administration of these priorities was so inept and inefficient as to bring about results which can be characterized only as ludicrous. One of the primary purposes of the act was to insure that veterans should be accorded priority to purchase various types of equipment, etc., to assist them in reestablishing themselves in business and on the farm upon their discharge from the service. The regulations that were issued to carry out the act seemed adequate enough on paper. But in actual operation the administrative officials failed literally to carry out their own regulations to such an extent that the mail of Congress has carried a running fire of protest from every section of the country...

"The Committee on Appropriations has kept in constant contact with this program... If this property is to be placed in the hands of those who can derive some benefit from it, immediate action must be taken as the obsolescence and deterioration factors rapidly are making it worthless...

"After considering all these factors, and consultation with members of the Committees on Expenditure in the Executive Departments, the committee has concluded that, in order to protect the interest of the Government in securing a maximum return for this property as well as insure the early utilization of these surpluses by those who desire them, it is necessary to make immediate and rather far-reaching changes in the system. To accomplish this purpose legislation has been included in the accompanying bill, the salient features of which are:

"1. The War Assets Administration is abolished, effective August 31, 1948, and its functions transferred as follows: (a) Real property to Reconstruction Finance Corporation. (b) Aircraft and parts to the Department of the Air Force. (c) Other personal property to the Bureau of Federal Supply. (d) Liquidation of the affairs of the War Assets Administration to the Treasury Department.

"2. The Surplus Property Act of 1944 continues in effect until December 31, 1949, when, in any event, it will expire by operation of law except that the priorities and preferences authorized by the act shall not continue beyond August 31, 1948. These priority and preference provisions, regardless of their original purpose, have been so administered as to have been of dubious value, and the point has now been reached where they constitute a practical blockade against the movement of property.

"3. Any property which has not been declared surplus to the War Assets Administration on the date of enactment of the accompanying bill will be disposed of in accordance with permanent law without reference to the Surplus Property Act of 1944.

"4. The heads of the agencies to which property is transferred will have authority to dispose of personal property, if in the interest of the Government to do so, by abandonment, destruction, or donation to public bodies.

"5. Any personal property may be transferred without charge to other agencies of the Government if by such transfer such property may be put to public use.

"6. Each of the agencies to which functions are transferred will be required to report to the Committees on Appropriations of the House and Senate at the end of each month on progress made. The Committee on Appropriations of the House will expect to analyze these reports currently and to secure in connection with the budgets for such agencies for the fiscal year 1950 a full statement of work remaining and their recommendations as to disposal of any items for which

there is determined to be no market and of which such agency finds itself unable to make appropriate disposition otherwise.

"7. The War Assets Administration Budget for 1949 was \$106,912,000. To carry out the purposes as set forth in the bill, the committee recommends an appropriation of \$50,000,000 to be allocated by the Director of the Budget, who will also act as referee in the distribution of records, administrative property, etc., among the transferee agencies."

Sec. 104 of H. R. 6829 amends Sec. 207 of the Independent Offices Appropriation Act, 1949, which provided for a 25% salary differential for persons employed abroad. The following changes are provided in the amendment: (1) The salary differential is limited to persons whose basic compensation is fixed by statute; (2) the salary differential is based on living costs substantially higher than in the District of Columbia, or conditions of environment which warrant the differential as a recruitment incentive; (3) eliminates any possible requirement that native employees receive pay equal to that paid for similar services in the States; (4) prohibits payment of a salary differential to any person entitled to receive a cost-of-living allowance; (5) eliminates reference to the salary limitation provided by the classification Act of 1923, as amended; (6) provides that this section shall be effective 60 days after enactment or as specified in regulations issued by the President, whichever date is earlier; and (7) continues present regulations until the effective date of this section.

- ~~18. SOCIAL SECURITY; FARM LABOR. As reported, H.R. 6777, to extend social security coverages (see Digest 99), contains an amendment to the Federal Insurance Contributions Act which would extend social security coverage to employment off the farm in drying, packing, packaging, and similar processing and handling operations of fruits and vegetables preparatory to marketing such produce, by excepting from the provisions of the Act, as "agricultural labor," only those services in the case of fruits and vegetables, as well as other agricultural and horticultural commodities, as are performed "as an incident to ordinary farming operations." The bill would also extend social security benefits to employees of agricultural or horticultural organizations exempt from income tax under certain provisions of the Internal Revenue Code, and amend the Farm Credit Act of 1933 and the Federal Farm Loan Act so as to extend social security benefits to employees of the production credit associations and the national farm loan associations.~~
- ~~19. SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT. Passed as reported H.R. 5154, to continue Federal administration of ACP (p. 7596).~~
- ~~20. NATIONAL FORESTS. Passed with amendment S. 1090, to remove the limitation governing exchanges of certain land in the Superior National Forest, Minn., to safeguard and consolidate areas of exceptional public interest (pp. 7600-1).~~
- ~~21. GOLDEN NEMATODE. Passed without amendment S. 2137, to provide for the protection of potato and tomato production from the golden nematode (p. 7601). This bill will now be sent to the President.~~
- ~~22. FOREIGN TRADE. Passed without amendment H.R. 5608, to amend the Tariff Act so as to increase the import duty on linen fire hose (p. 7603).~~
- ~~23. PUBLIC LANDS. Concurred in Senate amendment to H.R. 3628, to revise the method of issuing patents for public lands (p. 7603). This bill will now be sent to the President.~~
- ~~24. D.C. APPROPRIATION BILL, 1949. Reps. Horan, Stefan, Church, Stockman, Andrews of~~

Let us consider these measures calmly and throw out the hysterical state of mind that the present situation has provoked.

Because a few labor organizations are being publicly excoriated on account of the public inconvenience suffered through their inability to maintain nonstrike relations with the employers, let us not stab in the back the millions of workers who are devotedly interested in maintaining industrial peace through sincere and wholehearted cooperation of labor and management.

As I said, those words were about the last that were uttered in the Senate by the then distinguished senior Senator from Massachusetts on this subject. In a very real sense they epitomize his outlook and philosophy; his own blueprint for living and for getting along with his fellowmen; his own devotion and loyalty to the cause of the down-trodden and underprivileged; his never-ending zeal for the common people. In a little more than a year later this great American statesman whose unselfish service so brilliantly illumines his life and the people from whom he was sprung departed this mortal life. His last months and days were filled with bitter disappointment, defeat, and grief. One by one the members of his family were taken by the Grim Reaper. He himself was engaged in his last electoral campaign. Whether he sensed impending defeat or not, I do not know, but he never gave any indication of it.

His attitude was, "I have given the best years of my life to the people and I have made my record of loyalty to them. I am well able, physically and mentally, to carry on in the public service. If the people want me, well and good, if not, I will be resigned to lay down my heavy burden." Through it all, he never flinched, he never retreated, he never compromised his convictions. That artifice, betrayal, ingratitude and calumny of seething political life left a cruel impress upon his physical and mental powers cannot be doubted. His only reaction to his defeat was that he felt relieved of a heavy burden and would welcome the peace and comfort of private civilian life and the associations of his friends which were to be so tragically denied him.

He died as he lived—great statesman, great patriot, noble soul, loyal to the end, to the principles and ideals he so eloquently espoused, loyal and devoted to family and friends, steadfast in his Christian faith. His words on justice are appropriate:

Without a continuing strong sense of justice in the administration of the affairs of the Government, there is certain to come into existence a vast mechanism of oppression and the end of our liberties. It is the absence of justice that is responsible for the present holocaust in Europe; it is the absence of justice that has enslaved the human family in many parts of the world; it is the absence of justice that has denied the worker, through the years, his just share of the contribution he has made to the wealth that he helped to accumulate.

May I suggest that we all pause for a brief period tomorrow, as we unitedly perform our duties as citizens, to express silently but profoundly our gratitude to the God of Nations; to thank Him for the peace which we enjoy; to thank Him that we live in a

land where civil and religious freedom is guaranteed; to thank Him for the opportunities America has given to all mankind; to thank Him because, notwithstanding its shortcomings, we live in the greatest country on the face of the earth. Finally, let us implore His guidance to give you and me the inspiration and strength to help promote and establish the only worth-while purpose of government: "To promote justice."

I wish that time would permit me to outline more comprehensively the many fine public measures supported by this great and outstanding American during his years of service in the Senate. I could recount his unyielding devotion to the cause of the veterans whom he literally helped by the hundreds of thousands—individual cases which received his most solicitous and humane attention. He was the champion of practically all the great basic legislative proposals and measures which were finally shaped into what is now the veterans program. Sponsor of a consolidated central veterans agency, father of the presumptive clauses which have helped countless young American boys who otherwise would be left destitute, leader in improved hospitalization and medical treatment, staunch advocate of satisfactory compensation laws and bonuses for veterans, Senator Walsh was indeed one of the best friends the veterans ever had in Congress.

I wish I could also say more than a word about his devoted service to the cause of oppressed peoples throughout the world, his undying enmity of tyranny in any form, his gallant fight for every nation seeking liberation from bondage and struggling for self-determination. I would like to stress more also the broad liberality, the militant spirit of tolerance which animated this man. No one did or could fight more courageously for the underprivileged, the helpless, the aged, the blind, and those unable to help themselves through no fault of their own. Every race and group found in Senator Walsh a brave, fearless champion and the contributions he made to social justice and racial and religious toleration were absolutely monumental.

Time does not permit further elaboration here of the principles, ideals, and achievements of one of our Nation's greatest statesmen. But time will enrich the superb Americanism, greatness, and magnificent contributions to country of "Walsh of Massachusetts."

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

HOOR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution

of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2389. An act for the relief of Harriet Townsend Bottomley; and

H. J. Res. 296. Joint resolution to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage.

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 1025. An act to provide for the construction of shore protective works at the town of Nome, Alaska; and

S. J. Res. 227. Joint resolution providing for appropriate observance of the two hundredth anniversary of the founding of Washington and Lee University.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 9, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1632. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$72,500 for the Department of Labor (H. Doc. No. 705); to the Committee on Appropriations and ordered to be printed.

1633. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of two picket boats to the city of Philadelphia, Pa.; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 647. Resolution providing for consideration of H. R. 3748, a bill to provide additional compensation to widows and other dependents of certain veterans; without amendment (Rept. No. 2232). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 648. Resolution providing for consideration of H. R. 5588, a bill to provide increases of compensation for certain veterans of World War I and World War II with service-connected disabilities who have dependents; without amendment (Rept. No. 2233). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 565. Resolution authorizing funds for study of plans for rehabilitation of Capitol Power Plant; without amendment (Rept. No. 2234). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 636. Resolution authorizing the Clerk of the House of Representatives to approve payment of gratuities during the recess of Congress; without amendment (Rept. No. 2235). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. Senate Concurrent Resolution 51. Concurrent resolution providing for the printing of additional copies of the hear-

ings on investigation of national resources for the use of the Committee on Interior and Insular Affairs; without amendment (Rept. No. 2236). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 391. Resolution authorizing the printing of the publication entitled "The Hoover Dam Power and Water Contracts and Related Data" as a House document; with amendments (Rept. No. 2237). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 555. Resolution authorizing the Committee on Agriculture of the House of Representatives to have printed for its use additional copies of the hearings held before said committee during the Eightieth Congress, Long-Range Agricultural Policy; without amendment (Rept. No. 2238). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 557. Resolution authorizing the printing of additional copies of Senate Document No. 146; without amendment (Rept. No. 2239). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 558. Resolution authorizing the printing of additional copies of Senate Document No. 149, Eightieth Congress, second session; without amendment (Rept. No. 2240). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 588. Resolution authorizing the Committee on Agriculture of the House of Representatives to have printed for its use additional copies of the study prepared for said committee during the Eightieth Congress, Long-Range Agricultural Policy—A Study of Selected Trends and Factors Relating to the Long-Range Prospects for American Agriculture, without amendment (Rept. No. 2241). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 611. Resolution authorizing a reprint of supplement IV of the report of the Subcommittee on National and International Movements of the Committee on Foreign Affairs, entitled "The Strategy and Tactics of World Communism—Five Hundred Leading Communists (in the Eastern Hemisphere, excluding the U. S. S. R.); without amendment (Rept. No. 2242). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 601. Resolution to provide for the transfer of the records of the Select Committee on Foreign Aid to the Joint Committee on Foreign Economic Cooperation; without amendment (Rept. No. 2243). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 204. Concurrent resolution authorizing the disposal of certain obsolete Government publications now stored in the folding rooms of the Congress; without amendment (Rept. No. 2244). Referred to the House Calendar.

Mr. WIGGLESWORTH: Committee on Appropriations. H. R. 6829. A bill making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 2245). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 651. Resolution waiving points of order against H. R. 6829, a bill making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 2249). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 652. Resolution providing for consideration of House Joint Resolution 150, a joint resolution to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Monument, and for other purposes; without amendment (Rept. No. 2250). Referred to the House Calendar.

Mr. REED of New York: Committee on Ways and Means. H. R. 6818. A bill to amend title X of the Social Security Act (relating to aid to the blind) so as to provide greater encouragement to blind recipients thereunder to become self-supporting; without amendment (Rept. No. 2253). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRANT of Indiana: Committee on Ways and Means. H. R. 6800. A bill to amend sections 3108 and 3250 of the Internal Revenue Code, and for other purposes; without amendment (Rept. No. 2254). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOWE: Committee on Armed Services. H. R. 4984. A bill to provide for the maintaining of the corps of cadets at the United States Military Academy and the regiment of midshipmen at the United States Naval Academy at full strength, and for other purposes; with amendments (Rept. No. 2255). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. H. R. 6751. A bill to fix the rank of the assistant to the Chief of Engineers in charge of river and harbor and flood-control improvements; without amendment (Rept. No. 2256). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONKMAN: Committee on Foreign Affairs. H. R. 6822. A bill to continue the authorization for the appointment of two additional Assistant Secretaries of State; without amendment (Rept. No. 2257). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOWE: Committee on Armed Services. H. R. 6698. A bill to authorize the course of instruction at the United States Naval Academy to be given to not exceeding four persons at a time from the Republic of the Philippines; with an amendment (Rept. No. 2258). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Committee on Armed Services. S. 2251. An act to authorize the Army and Navy Union, United States of America, Department of Illinois, to construct a recreational park on the grounds of the United States naval hospital, United States naval training center, Great Lakes, Ill.; without amendment (Rept. No. 2259). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 2912. A bill providing for the conveyance to the State of South Carolina of that portion of the Fort Moultrie Military Reservation determined to be surplus to the needs of the War Department; with amendments (Rept. No. 2260). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 3479. A bill providing for the conveyance to the State of Louisiana of that portion of the Jackson Barracks Military Reservation determined to be surplus to the needs of the War Department; with amendments (Rept. No. 2261). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 6709. A bill to authorize the Secretary of the Navy to convey to the city of New York a perpetual easement in, over, and upon a 0.29 acre parcel of land at New York Naval Shipyard; without amendment (Rept. No. 2262). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 5937. A bill to provide for the administration of military justice within the United States Air Force, and for other purposes; with an amendment (Rept. No. 2263). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES: Committee on Post Office and Civil Service. S. 1561. An act to protect the national security of the United States by permitting the summary termination of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes; without amendment (Rept. No. 2264). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 5861. A bill to direct the Secretary of Agriculture to convey certain land to the State of Oklahoma; without amendment (Rept. No. 2265). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. S. 1087. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; without amendment (Rept. No. 2266). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. S. 1275. An act conveying all right, title, and interest of the United States in and to certain lands in Warren County, Miss., to the heirs, assigns, and successors in title of Moses Evans; without amendment (Rept. No. 2251). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 1274. An act conveying all right, title, and interest of the United States in and to certain lands in Wilkinson County, Miss., to the heirs, assigns, and successors in title of William Collins; without amendment (Rept. No. 2252). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WIGGLESWORTH:

H. H. 6829. A bill making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. DOMENGEAUX:

H. R. 6830. A bill to provide fisheries research in Gulf coast area; to the Committee on Merchant Marine and Fisheries.

By Mr. GORDON:

H. R. 6831. A bill to provide for the acquisition of a site and preparation of plans and specifications for a new postal building to house the Wicker Park Postal Station in Chicago, Ill., and for other purposes; to the Committee on Public Works.

By Mr. MULTER:

H. R. 6832. A bill to amend section 118 of Public Law 472 of the Eightieth Congress; to the Committee on Foreign Affairs.

By Mr. SHORT:

H. R. 6833. A bill to provide for a change in the design of the Booker T. Washington memorial 50-cent pieces; to the Committee on Banking and Currency.

By Mr. HART (by request):

H. R. 6834. A bill to provide for national cemeteries in the State of New Jersey; to the Committee on Public Lands.

CONSIDERATION OF H. R. 6829

JUNE 8, 1948.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 651]

The Committee on Rules, having had under consideration House Resolution 651, report the same to the House with the recommendation that the resolution do pass:



House Calendar No. 252

80TH CONGRESS
2D SESSION

H. RES. 651

[Report No. 2249]

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1948

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That during the consideration of the bill (H. R.
2 6829) making supplemental appropriations for the Executive
3 Office and sundry independent executive bureaus, boards,
4 commissions, and offices, for the fiscal year ending June 30,
5 1949, and for other purposes, all points of order against the
6 bill or any provisions contained therein are hereby waived,
7 and it shall be in order to consider without the intervention
8 of any point of order any amendment offered by direction of
9 the Committee on Appropriations.

80TH CONGRESS
2d Session

H. RES. 651

[Report No. 2249]

RESOLUTION

Waiving points of order against H. R. 6820, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

By Mr. ALLEN of Illinois

JUNE 8, 1948

Referred to the House Calendar and ordered to be printed

13. TRADE AGREEMENTS. In reporting H. R. 6556, to continue the reciprocal trade agreements program (see Digest 103), the Senate committee amended the bill by eliminating the House provision to give Congress a veto power over new tariff cuts and by modifying the authority which the House had voted to the Tariff Commission. As amended by the Senate committee, the bill provides that the President must get the Tariff Commission's recommendations before negotiating a tariff reduction but that the recommendations would not be binding on the President. However, if he exceeded the recommendation, he would have to report to Congress his action within 30 days.

HOUSE

14. PERSONNEL. Following are excerpts from the report of the House Post Office and Civil Service Committee (see Digest 101) regarding personnel offices:

"The committee feels that a constructive purpose is served by inviting the attention of Congress and agency management to the increasing and obviously uncontrolled costs of personnel administration found in some departments and agencies and the apparently equally efficient but less costly type of personnel administration observed in others.

"Although departments and agencies of the Executive Branch are competitive in their rivalry for functions, funds, and manpower, it is found that there exist no cost standards by which the relative requirements or quality of personnel offices may be evaluated. Cost statistics and other criteria presented in this report indicate a lack of planning, coordination, and control in Federal personnel administration...

Findings

"1. The survey and study demonstrates that with reasonable efficiency and economy departmental and agency personnel offices of the Executive Branch could reduce their salary costs to well below \$53,000,000 a year -- a potential annual saving of \$25,000,000 or more.

"2. To a great extent the Civil Service Commission has delegated its recruitment and placement functions to the departments and agencies. As a result departments and agencies have established thousands of personnel offices throughout the United States in costly and wasteful competition for manpower particularly in categories now in short supply. In the Washington metropolitan area alone, 225 competitive personnel employment offices confuse and frustrate efforts of qualified applicants, including veterans, to serve their Government.

"3. In some departments and agencies personnel organizations and functions parallel, overlap, and duplicate the organization and functions of the United States Civil Service Commission. Several instances are found where total employment and salary costs of departmental and agency personnel offices exceed the total employment and salary costs of the Commission.

"4. In many departments and agencies personnel administration is academic in concept and extravagant in practice. While well-managed and economically conducted personnel organizations are found, the survey reveals that in numerous instances, the concept, organization, and staffing of personnel offices in the Federal Government are pretentious, elaborate, and wasteful.

"5. There are no over-all standards for organization, staffing, and operation of personnel offices.

"6. The salary cost of surveyed personnel offices in departments and agencies totals \$78,627,183.83, or an average of \$38.98 for every employee on the Federal payroll...

"As a result of these findings, and other subject matter developed during this study, the present survey is being broadened to include the organization policies and procedures of the Civil Service Commission...

"...employment policies, practices, and relationships promulgated and administered by personnel offices of departments and agencies are often confused, extravagant, and not in accordance with the letter or intent of the Civil Service Act and related legislation.

"Codification of laws and regulations affecting Federal personnel would contribute to more efficient and economical personnel administration. The committee is at present surveying the practicability of such a project.

"The committee has no evidence that the quality or performance of employees is improved by the disproportionate amounts expended by some agencies in personnel administration. There is appreciable evidence to the contrary...

"The relative position of the personnel office, and particularly of the personnel director, is of importance and significance. If the personnel director occupies a place in the organizational structure in close proximity to the agency head, he is in a better position to secure acceptance of his ideas and plans. If these ideas are expansive the operation of the personnel office is usually expansive...

"Well-planned and properly executed decentralization is often desirable and necessary, particularly in departments and agencies operating on a national or international basis. Decentralization may cure many problems arising from geographic factors. It also serves the purpose of putting important segments of the agency in close contact with the constituency of the area in which the work is accomplished...

"It has been observed that in the Federal service there is a tendency to confuse decentralization with delegation of authority. Unless controlled, decentralization, when accompanied by substantial delegation of authority, may lead to confusion...

"Adverse results are particularly noted where decentralization is accomplished along bureau lines...

"In analyzing the organizational schemes of personnel offices it is found that with few exceptions the language describing the responsibilities and functions of the personnel office is pretentious...

"...efficiency and economy...appear to be generally unrecognized in current Federal personnel administration. In the course of this survey, attempts were made to secure comparative salary cost figures... Such comparisons were not available... Inquiry at the Bureau of the Budget, central management agency of the Government, developed that the Bureau has not within recent years made adequate cost comparisons of personnel administration within or between departments and agencies... until cost and performance standards are established for personnel administration such expectation (equal efficiency) is futile..."

15. MINERALS. Passed (June 8) as reported H. R. 5263, to permit USDA to deliver to present owners of certain real property (acquired by the U. S. as a part of or in connection with resettlement or rural-rehabilitation projects) quitclaim deeds to the minerals in or under such property (p. 7573).

16. SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL. Passed with amendments this bill, H. R. 6829, which includes a provision abolishing War Assets Administration (see Digest 103)(pp. 7669, 7675-708). Agreed to an amendment by Rep. Hoffman, Mich., to continue priorities in connection with disposal of real property, beyond Aug. 31, 1948 (pp. 7704-7) by a 108-57 vote,

17. FOREIGN RELIEF. The Armed Services Committee reported with amendment S. 2376, to provide a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (H. Rept. 2268)(p. 7722).

Page 2, line 11, strike out "Martenez" and insert "Martinez."

Page 3, line 5, strike out all of section 3 and insert the following:

"SEC. 3. Notwithstanding the provisions of the first section of this act, the Secretary of the Interior is directed, in any case in which an allottee of lands on the Cabazon, Augustine, or Torres-Martinez Indian Reservations is deceased, to proceed with the probating and division of such allottee's land estate in accordance with the provisions of section 1 of the act of June 25, 1910 (36 Stat. 855): *Provided*, That in any case in which the Secretary determines that, by reason of the number of heirs or the size of interest, division is impracticable, he shall sell such lands, in accordance with regulations prescribed by him, and shall distribute the proceeds thereof in accordance with the provisions of such act of June 25, 1910."

The committee amendments were agreed to.

Mr. PHILLIPS of California. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 1, line 7, delete the period after the word "lands" and insert a comma and add the following: "free from any incumbrance created or incurred by the United States."

The amendment was agreed to.

Mr. PHILLIPS of California. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 2, at line 17, after the word "parcel", delete the period and insert a semicolon and the words "provided that any member of the tribe whose lands are sold pursuant to this section shall have a prior right to purchase such parcels."

The amendment was agreed to.

The SPEAKER. Are the amendments agreeable to the committee?

Mr. PHILLIPS of California. They are, Mr. Speaker.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KENNEDY asked and was granted permission to extend his remarks in the RECORD and include a newspaper item.

Mr. HART asked and was granted permission to extend his remarks in the RECORD and include a speech delivered by Hon. JOHN W. McCORMACK.

SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 651 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, all points of order against the bill or any provisions contained therein

are hereby waived, and it shall be in order to consider without the intervention of any point of order any amendment offered by direction of the Committee on Appropriations.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution waives points of order which might otherwise be made against H. R. 6829, the supplemental independent office appropriations bill for the fiscal year 1949. It also waives points of order against amendments to the bill which may be offered from the floor by direction of the Committee on Appropriations.

The Appropriations Committee has included language in the bill to terminate the War Assets Administration as of August 31, 1948, and to transfer the functions of that agency to other agencies of the Federal Government which are equipped to administer them. This provision was included in the bill for two reasons: First, to reduce the cost of disposing of surplus property, and, secondly, to expedite its disposition. At present, the cost of disposing of surplus war property is 59 percent of the proceeds the Government realizes from such sales. These costs can be reduced materially by transferring the functions of the War Assets Administration to other Government agencies which are already equipped and staffed to handle them.

This bill is a part of the effort that has been put forth by the Republican Congress to eliminate duplications and overlapping among Government bureaus. We all realize that any attempt in this direction is necessarily legislation by its very nature. But it is legislation which the American people have demanded ever since the mushrooming growth of the Federal Government started 16 years ago. Unfortunately, there are those who would obstruct legislative proposals of this kind, and a single objection could prevent consideration of this important section of the bill. By waiving points of order against the bill, this rule permits the membership of this House to decide on each provision of the bill solely on its merits.

During this session and the last session of Congress, the Appropriations Committee, and its members have earned the respect, and the confidence of nearly every member of this House. The Appropriations Committee has recognized, and eliminated many of the inefficient and expensive functions of the Government Bureaus. In order to accomplish this task, they have had to take the bull by the horns. With the cooperation of the majority party of the House, the Appropriations Committee has eliminated a number of wasteful functions formerly performed by the Federal Government, and has done a remarkable job in safeguarding the expenditure of the taxpayers money. I would like to take this opportunity to praise the efforts in this direction of the distinguished chairman of the Appropriations Committee, our colleague the gentleman from New York, Congressman JOHN TABER, and the other members of the committee. By adopting this resolution, the Members of this

House can express their willingness to cooperate in eliminating wasteful functions of the Government.

Under this rule the provisions of this bill stand or fall on their own merits. There is nothing about the rule which could be objectionable to any Member who believes in the American principle of majority rule, and I urge you all to vote for its adoption.

Mr. Speaker, I do not think there is any opposition to this rule. I now yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, on our side we are in favor of the rule and we are anxious to facilitate consideration of the bill. I have no requests for time.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SUPPLEMENTAL FEDERAL SECURITY AGENCY APPROPRIATION BILL, 1949

Mr. KEEFE. Mr. Speaker, I call up the conference report on the bill (H. R. 6355) making supplemental appropriations for the Federal Security Agency for the fiscal year ending June 30, 1949, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House, June 8, 1949.)

The SPEAKER. The question is on agreeing to the conference report.

Mr. KEEFE. The thing which is effected in this conference report in which the House is most interested is the transfer of the United States Employment Service to the Federal Security Administration and the consolidation of that agency with the Bureau of Employment Security and the necessary consolidation and reorganization that was proposed by the House at the time this bill originally passed.

The Senate in passing upon this bill completely changed the entire purpose that was involved in the passage of the House bill. In the conference the Senate receded, with this agreement on the part of the House: Instead of setting up in the Federal Security Agency a new bureau, the Bureau of Employment Security, handling unemployment compensation and the United States Employment Service handling the employment services of the Nation, instead of setting up a new bureau there, we agreed finally to have the consolidation take place in the Social Security Administration so that the line of authority of the consolidation will be through Mr. Altmeyer, the Social Security Administrator, to Mr. Ewing, the Federal Security Administrator.

In connection with the situation it will be observed that for this combined operation the House had appropriated \$123,000,000. The other body increased that appropriation for administrative expenses to about \$136,000,000. The net result of the conference agreement was that \$130,000,000 was appropriated for grants to carry out this program.

Other than that, the changes relate just to conciliation as between the House and the Senate in the matter of appropriations where they had increased the House estimates.

Mr. Speaker, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, this is the conference report on the two sections of the bill as it passed the House for the appropriations for fiscal year 1949 for the Labor Department and the Federal Security Administration. After spending a day in conference with the other body on Monday we have come up with this conference report and with one major disagreement, although it is only a major disagreement with the conferees on the part of the House and the Senate. Those of us on the minority side in the House do not like the conference report as it is brought back for your consideration this afternoon.

As the chairman of the Subcommittee on Appropriations has just stated, one of the principal pieces of legislation that we have in this appropriation bill is the combining of the USES and the UC into one agency under Mr. Altmeyer of the Social Security Administration in the Federal Security Administration. During general debate on this bill when it was before the House I attempted to have this stricken from the bill, for one reason because I am getting sick and tired of every appropriation bill that comes before the House having to go to the Rules Committee to be made in order because it contains legislation. I do not believe more than two or three appropriation bills have been presented to the House this year that were not accompanied by a rule waiving points of order on legislation. Oh, I know there are other circumstances where they claim that this is in the form of a limitation, but whether it is a limitation or not it is a limitation in the form of legislation on an appropriation bill.

This matter of importance that the chairman of the subcommittee says is in this bill, the combining of these two agencies into one, taking the United States Employment Service out of the Department of Labor and putting it into the Social Security Administration is something that was thoroughly debated by the House under the reorganization plan of the President that was sent here last March. It was thoroughly debated in the other body and turned down. As far as I am concerned the reasoning that was good then is good today.

Every Member of Congress who spoke on the reorganization plan of the President asked this body to turn it down because we have appropriated \$750,000 for the so-called Hoover Commission to investigate and go into the matter of the reorganization of the executive branch

of the Government. We have asked that commission to report not later than 10 days after next January to this body. I understand on good authority that the Brookings Institute is being paid now to make a thorough study of this combination of the two agencies that we are consolidating in this bill for the Hoover Commission. The Hoover Commission does not know at this time what it wants to do with these two agencies. I do not believe there will be any disagreement with the statement that we should agree the two should be combined but whether they should be combined in the Department of Labor or in the Federal Security Administration is the question and there is a great deal of thought being given to that at the present time by the Hoover Commission. If we as Members of Congress set up a committee for this specific purpose the least we can do is wait until we receive the report of that committee next January. That was the wish of this body only last February or March when it voted that way. That was the wish of the other body when it voted almost overwhelmingly against this reorganization plan under the principle and idea that the Hoover Commission can do a more thorough job than we can as members of a subcommittee on appropriations to make this so-called consolidation.

But that is not all that is in this bill. The budget estimates for grants to States for USES and UC were in the neighborhood of \$145,000,000. The House allowed them \$122,000,000 or \$123,000,000 which was a cut of \$22,000,000 or \$23,000,000. The Senate allowed in the neighborhood of \$133,000,000 or \$134,000,000, which was still a cut of \$10,000,000 over their budget for this year. We have finally agreed on a figure of \$130,000,000.

The majority of the committee in conference has agreed to that, not the minority, because the minority did not go along with these agreements at all. In the face of their spending \$133,000,000 last year and having to come to the Congress for a supplemental appropriation bill, we still reduce them. I thought it was the idea of Congress to get away from all these deficiency and supplemental appropriation bills that come in here year after year. Here we find one of the most important agencies of our Government that spent three or four million dollars more last year than we are going to allow them in this conference report, which forces them to come back here for a supplemental bill for three or four million dollars. I say that is an invitation to them to come back for a deficiency appropriation or to make a request for another supplemental appropriation. In my line of reasoning, that is not good government.

This reminds me of what I said on the floor 2 or 3 months ago that practically every appropriation bill that has been before the House this year has been treated much more fairly than has the appropriation for the Department of Labor. The Department of Labor was founded the year I was born, 35 years ago, by one of the most outstanding Republican Presidents you have ever had in this country. It was a Republican baby back in 1913 and it has developed

into and has become now a division of government with Cabinet rank. However, in the last 5 or 6 years it seems as though there is a determined effort on the part of the Republican Party to do what they can to emasculate the Department of Labor because it has to do with labor in general. In the past 7 or 8 years you have been whittling down its appropriation year after year.

Last year, when this bill was before the committee, you cut it about 25 or 30 percent. This year you cut it 25 percent. Why, you even cut it 20 percent below what it was in the year 1948. You cannot name one other appropriation bill that has been brought before this Congress that has been cut so drastically as the Department of Labor appropriation bill. On the other hand, we find this very same concerted move to build up the Federal Security Administration in our country. I wonder just what the reason behind it is. Why, we even attempted in the House to make the Federal Security Administrator almost a Cabinet Member by raising his salary to \$15,000. But that was cut out in the conference report because the Senate refused to go along with it. I think there is something behind this whole thing; that there is a reason for building up the Federal Security Administration, and in time you will find it to be one of the most powerful Government agencies that we have in existence. It will be one that will be almost uncontrolled, and then we will see what this House will do with it at that time if you cut down the Labor Department every year as you are doing. You will be saying to the country that you do not want the Labor Department to remain as a Cabinet position, but let it be swallowed up in the Federal Security Administration. That, in my opinion, is exactly what this House is coming to in the next 2, 3, or 4 years.

There is one other item in the report that the Senate receded on, and that was one of the smallest items in the entire bill. It has to do with the Women's Bureau. We are spending in the neighborhood of about \$300,000 for the Women's Bureau, the only bureau in Government that has to do with the labor relations and the advancement of the cause of the women in this entire country, and here we find ourselves in a position where we are cutting out from under their feet the five or six regional offices that they have at the present time. In my opinion that is pretty small potatoes.

While we are appropriating three or four million dollars for the Children's Bureau in our country we are cutting out a measly sum of \$50,000 or \$60,000 from the Women's Bureau, it only being allowed \$250,000 to take care of the welfare of some 16,000,000 or 17,000,000 women who are working in industry in our country at the present time. That is one of the things that I do not agree with.

Now, we had a lot to say about the Veterans' Reemployment Rights Division. I remember when the second supplemental bill was up that a statement was made by someone on the other side to the effect, Why, we have given the veterans everything they asked for. We

Mr. Ellsworth with Mr. Evins.
 Mr. Clippinger with Mr. Murray of Tennessee.
 Mr. Kersten of Wisconsin with Mr. Davis of Tennessee.
 Mr. Horan with Mr. Harless of Arizona.
 Mr. Vail with Mr. Barden.
 Mr. Twyman with Mr. Bates of Kentucky.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: On page 4, line 14, strike out "\$2,500,000" and insert "\$4,250,000."

Mr. KEEFE. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KEEFE moves that the House recede from its disagreement to the amendment of the Senate numbered 9, and concur in the same with an amendment as follows: In lieu of the sum proposed to be inserted by said amendment, insert "\$4,073,000."

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[Mr. MONRONEY addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. ROONEY asked and was given permission to revise and extend his remarks.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

VETERANS' FLIGHT TRAINING

Mr. STEFAN. Mr. Speaker, several times during this session of Congress, attempts have been made to abolish the veterans' flight training program from the public law generally known as the GI bill of rights. To date, I and other Members have successfully opposed such measures.

I now find that this proposal appears in the independent offices bill, now before the Congress.

As chairman of the House Appropriations subcommittee dealing with the Civil Aeronautics Administration and as a member of the joint congressional aviation policy board, lately dissolved, I feel that I am qualified to pass on to the House my considered opinion of this rider in the independent offices bill:

First, however, I should like to point out that wise economy in Government has no closer friend in the Congress than this member, as the various agencies of Government for which my committee appropriates money would promptly verify. But just as I am a foe of unbridled Federal spending, so am I the enemy of false economy. And false economy is most certainly the label which must be affixed to any measure that would remove the veterans' flight training program from the GI bill. Let me tell you why.

Reasonable objections can certainly be raised over parts of the veterans' training program. It is difficult for me to believe that instruction in, for example, ballroom dancing makes any contribution to the welfare of either the veteran or this country. However, those who compare ballroom dancing with flight training, I am afraid have devoted little study or thought to the latter.

It seems ridiculous to me that a Congress which on the one hand is authorizing this Government to spend billions of dollars for an Air Force; which may act on a bill to draft young men into the military service; is on the other hand proposing a measure that would abolish a program which already has trained thousands of men as pilots.

The GI flight-training program is expensive—yes. But it is not nearly as expensive as it would be to draft, feed, clothe, and give these same men comparable training in the air. Flight training is far more than just a hobby for our ex-servicemen. The GI program is giving this country a valuable pool of young men trained in the fundamentals of aviation—the theory of flight, navigation, meteorology, radio, maintenance, and so forth. The program is giving us this reserve at a time, which this Congress has officially admitted, when such a reserve is of inestimable value to this Nation's security.

The age of air travel is upon us. And yet the aviation industry of the United States of America is struggling under a burden which some, with this measure, would increase. Thousands of small airfields over the country would have to shut down if this measure were to become law. These small airfields will some day become part of a vital network of air transportation—unless we kill them off.

It would be false economy indeed to remove this flight-training program at a time when our aviation industry is tottering; at a time when more people need to be made air-minded; at a time when we are attempting to build a strong peacetime Air Force.

Knowing this, can any thinking Member of this House think for a moment of abolishing this GI flight-training program?

The obvious and logical answer is emphatically "No."

HOME OWNERS' LOAN ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, with a Senate amendment thereto, disagree

to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WOLCOTT, GAMBLE, SMITH of Ohio, KUNKEL, SPENCE, BROWN of Georgia, and PATMAN.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H. R. 6570.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may sit during the session of the House today during general debate.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL, 1949

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be confined to the bill and consume not to exceed 2½ hours, the time to be equally divided and controlled by the gentleman from Alabama [Mr. ANDREWS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MONRONEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONRONEY. This bill is not being brought in under a rule, it is being brought in under the regular right of the Committee on Appropriations?

The SPEAKER. A rule has already been adopted waiving points of order against the bill or any of the provisions contained therein.

The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6829, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill comes to you with the unanimous support of the subcommittee in charge of the bill and, so far as I know, with the unanimous support of the Committee on Appropriations as a whole.

The bill passed in February with reference to the independent offices made provision for some 30 agencies carrying a total of something less than \$1,000,000,000.

This bill makes provision for six agencies carrying a total of about \$5,800,000,000 or \$504,570,000, or 8 percent, below the budget estimates.

I shall run briefly over the six agencies, invoice and the action recommended in each instance.

OFFICE OF DEFENSE TRANSPORTATION

Your committee recommends an appropriation for 8 months amounting to \$340,000 as compared with an appropriation on a 12 months basis for the current year of \$445,000, an estimated expenditure of \$410,000.

The cut recommended amounts to \$105,000, the amount allowed being approximately the same on a monthly basis as for the current year \$60,000,000 for liquidation expenses is recommended for inclusion in the bill.

HOUSING EXPEDITER

Your committee recommends an appropriation of something over \$15,000,000 as compared with a request of \$20,500,000, a reduction of \$5,327,000.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield briefly.

Mr. JAVITS. It is a question entirely upon the item for the office of the Housing Expediter. I notice the reduction of the committee has voted is of a sum of approximately \$4,000,000 for so-called liquidation expenses, assuming that the Housing and Rent Control Act runs only until April 1, 1949, and the agency will be liquidated thereafter. I rise to ask whether or not the gentleman has questioned the witnesses. I do not find it in the RECORD, as to whether, if the agency takes that cut it will prorate it over the 9 months? In other words, the agency will not assume that it will ultimately get the money, but will reduce the \$15,000,000 appropriated by what it estimates to be the cost of liquidation, and therefore materially cripple Rent Control Administration, which the people of my district are vitally interested in sustaining unimpaired.

Mr. WIGGLESWORTH. There is no intention of crippling rent control in any sense of the word. The appropriation recommended is made available on a 9-month basis. The \$4,132,000 to which the gentleman refers is a reduction in funds suggested for liquidation expenses, which at the end of 9 months can be taken care of in the event it is determined not to extend the life of the agency.

Mr. JAVITS. Can the gentleman assure us that the agency itself will not operate on the theory that it must deduct that liquidation money from the \$15,000,000 appropriated?

Mr. WIGGLESWORTH. I think it is very clear that the intention of the committee is that the agency shall operate

on the funds recommended, for a period of 9 months, and that the liquidation expenses, if any, will be provided for at a later date.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. COLE of New York. I notice the gentleman passed over the item of the Atomic Energy Commission. Is the gentleman going to return to that later?

Mr. WIGGLESWORTH. I expect to deal with each of the six agencies briefly. I mentioned the two smallest ones first, in order to dispose of them.

The cut reflects not only the item to which the gentleman from New York has referred, but \$195,000 in penalty mail, and as to the balance, a reduction in the number of investigators requested. The agency had 44 investigators on the pay roll as of April 1. This appropriation will permit it to have 358 investigators during the remaining 9 months of its existence.

ATOMIC ENERGY COMMISSION

This agency requested an appropriation of \$550,000,000, together with contract authorizations amounting to \$400,000,000, an over-all total of \$950,000,000. This compares with cash in the current year to the extent of \$259,000,000, and contract authorizations to the extent of \$400,000,000, or an over-all total of \$659,000,000.

Your committee recommends an appropriation in the amount of \$501,850,000 and, in addition, the full amount requested in respect to contract authorizations, \$400,000,000, or an over-all total of \$901,850,000, a cut of \$48,150,000.

Your committee appreciates the vital importance of the work of this agency particularly at this time under existing world conditions. It desires, of course, to see the maximum results attained by the agency in the military field.

At the same time, Mr. Chairman, I think it must be stated to the House that your committee has been unable to obtain the type of information which it desired to obtain and which it felt it was reasonable to ask, from the Atomic Energy Commission. Moreover, your committee has been unable to escape the conviction that this agency has been operating on a basis of lavish expenditure.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. VAN ZANDT. As a member of the Joint Congressional Committee on Atomic Energy, it is my understanding that one of the clerks of your committee has been cleared so that any information that is available to members of the Commission might be made available to members of the House Committee on Appropriations. I would like to ask you whether or not that employee of your committee has been cleared and has been able to furnish you with any information that you felt you should have.

Mr. WIGGLESWORTH. I will say to my colleague from Pennsylvania that the committee had as an investigator one of the outstanding members of the certified public accountants profession in America. He was, as he necessarily had to be, cleared, in order to work with the Atomic

Energy Commission. Nevertheless, neither he nor the members of the committee were able to obtain the character of information which they sought to obtain, as I will develop in just a moment in the course of these remarks.

I want to call attention in passing to the fact that a year ago the agency was literally hardly able to furnish any information in regard to available funds, in regard to obligations, in regard to personnel, either on the rolls or in contemplation, or in regard to the detailed duties or salaries of the personnel.

Under date of April 29 I addressed a letter to the Chairman of the Commission. I put aside entirely funds requested in respect to the manufacture of the bomb and the manufacture of plant facilities for the bomb. I picked out at the suggestion of our investigator important items aggregating about \$255,000,000 and requested the Commission to give me a list of these items, which were primarily research and development and housing-construction items, in the order of priority, as to necessity, importance, or desirability—an ordinary break-down such as any business would make if it were about to embark on a program of expansion with limited funds.

Under leave to extend my remarks, I include a copy of my letter at this point in the RECORD:

NEW YORK, April 27, 1948.

HON. RICHARD B. WIGGLESWORTH,
Appropriations Committee,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: Last Thursday, April 22, I had occasion to discuss with four of the five members of the Atomic Energy Commission, viz, Chairman Lillenthal and Commissioners Strauss, Wymack, and Pike, the matter of a supplementary presentation of certain of the items included in the Commission's budgetary request for the fiscal year 1949; such a supplementary presentation (dealing with amounts of proposed obligation) as I had previously discussed with Chairman TABER and yourself. On the day following this conference I submitted to the Commission's assistant budget officer an analyzed restatement of proposed fiscal year 1949 obligations (aggregating approximately \$685,000,000), which showed items aggregating somewhat over \$250,000,000 as being the kind of proposed expenditures as to which I was confident the work of the Appropriations Committee would be considerably facilitated by means of a supplementary statement in which the Commission would express its opinion with regard to the relative priority—from the viewpoint of necessity, importance, desirability, etc.—of the various items comprised in such a group. Insofar as research and development items are concerned, such viewpoint might possibly also reflect the degree of expectancy of success with regard to such undertakings, ranging, say, from a feeling of a reasonable hope of success, on the one end, to something like taking a gamble, on the other.

In my discussion with the Commission, I indicated, by way of example, that of this aggregate of items for this sort of analysis there was the proposed expenditure for substantially rebuilding the community facilities at Oak Ridge, as to which the fiscal year 1949 proposal contained an obligation amount of approximately \$35,000,000. Admitting my approach to be wholly that of a layman without the benefit of the technical knowledge which the Commission commanded, I raised the question of whether, in the further development of nuclear science,

the particular activities at Oak Ridge might not conceivably become of diminishing importance relatively (say, as compared with Richland) to an extent where the present community expenditures might perhaps be better thought of as for the purpose of minimum expenses (to keep the town's facilities livable, of course) rather than a larger program of re-creating a permanent community.

While our conference produced no expressed agreement on the part of the Commission to undertake and present such a review as that indicated in the preceding. It was my opinion and also that of Mr. Montgomery of the Senate Appropriations Committee staff, who accompanied me, that our presentation of the matter could not have failed to leave with the Commission a realization of the need of supplying just this sort of information in order that ultimate action of the Congress might be on the basis of the best possible informed judgment in the circumstances.

Very truly yours,

E. A. KRACKE.

APRIL 29, 1948.

HON. DAVID E. LILIENTHAL,
Chairman, Atomic Energy Commission,
Washington, D. C.

DEAR MR. CHAIRMAN: I have just received a letter from Mr. E. A. Kracke, member of the investigating staff of the House Appropriations Committee, a copy of which I enclose herewith, and have noted the suggestion which he has made in the matter of a supplementary presentation of certain of the items included in the Commission's budgetary request for the fiscal year of 1949.

This recommendation has previously been discussed with Chairman TABER and myself and meets with our full approval.

It will be greatly appreciated therefore if the Commission will be prepared to comply with the suggestion at the time of the hearings.

Sincerely yours,

R. B. WIGGLESWORTH.

Subsequently, on May 7, I received a letter from the Chairman, Mr. Lilienthal, in which he stated that the Commission was undertaking to prepare the information for presentation at the hearings in accordance with my request. Mr. Lilienthal's reply follows:

UNITED STATES ATOMIC
ENERGY COMMISSION,
Washington, May 7, 1948.

HON. RICHARD B. WIGGLESWORTH,
Appropriations Committee,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: Your letter of April 29, 1948, transmitting a copy of a letter addressed to you from Mr. E. A. Kracke, of the investigating staff of the House Appropriations Committee, has been received by the Commission.

The Commission is undertaking the preparation of supplemental information for presentation at the time of the hearings in accordance with your request.

Sincerely yours,

DAVID E. LILIENTHAL,
Chairman.

Subsequently a letter was delivered to me in person by the General Manager, Mr. Wilson, a letter marked "Secret" which included a statement to the effect that the Commission has not attempted to express its opinion with regard to the relative priorities despite the suggestion that this be done.

The first three paragraphs of the letter are as follows:

UNITED STATES ATOMIC
ENERGY COMMISSION,
Washington 25, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: In further response to your letter of April 29, 1948, there is attached a secret analysis of the items in our 1949 budget in the amount of \$255,096,274 which was shown in schedule B of the "Restatement of proposed fiscal year 1949 obligations" submitted to staff of the Commission by your investigator. It is our hope that, with this analysis in your hands as of today, your subcommittee can be prepared to start hearings on the Atomic Energy Commission 1949 estimates by the middle of this week. This is especially important inasmuch as the managers of our field operations are presently available in Washington for this purpose.

You will note that we have not attempted to express opinions with regard to relative priority in this analysis despite Mr. Kracke's suggestion that this be done. Our entire 1949 budget as presented to the committee reflects our best judgment as to balanced programs of research and production to carry out the purposes of the Atomic Energy Act of 1946 and to maintain and enhance the leadership of this country in the field of atomic energy. It is our view that all phases of the budget program as presented deserve equal priority when considered in this light. Any reduction which the Congress might make in these estimates would require a restudy of the whole program to gear it to a slower rate of attainment of these objectives.

Our analysis does, however, give the committee data which should be useful in judging whether the Commission is placing the proper emphasis on "short term" as compared with "long term" objectives. In part I of the analysis, for example, most of the items shown under the first two column headings relate to short-term objectives while those in the last two columns relate to long-term objectives. Similarly, in part II, the first column reflects items primarily required to meet short-term program needs whereas the items shown in the second column relate to long-term program considerations.

Instead, your committee was furnished a list of projects in four parallel columns, every single item in every one of the four columns being said to be essential for one purpose or another and said to be equally essential.

A project in respect to fish in the Northwest was considered just as essential as a project directly bearing on the manufacture of the weapon.

It was impossible to obtain any expression of opinion as to relative importance; and, for my part, it was equally impossible to escape the conclusion that the Commission simply declined to cooperate with the Congress.

Without going too much into detail I may mention that among other things that the record shows that the cost of housing construction by this agency is very much more expensive than construction elsewhere. It shows also that the cost of operation for three communities operated by the Commission is even more out of line with costs elsewhere.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. COLE of New York. Can the gentleman advise the Committee the unit cost of houses the Commission is building in the various areas? Information I have received is that it runs around \$27,000. I wonder if the gentleman's information would verify that?

Mr. WIGGLESWORTH. I may say to the gentleman from New York, subject to verification, that my impression is the same as his.

Mr. THOMAS of Texas. If the gentleman will yield, in the case of one-, two-, and three-bedroom apartments or houses the cost ran \$14,000, \$16,000, \$18,000, and maybe the highest was \$20,000, if my memory serves me correctly, and I think it does.

Mr. WIGGLESWORTH. In the sphere of operation of community facilities, just to give you two or three examples, the Department of Commerce figures for 200 cities of 25,000 to 50,000 population show a per capita cost for police of \$3.50. By comparison with this there is a per capita cost at Hanford of \$14.12, at Los Alamos of \$18.75, and at Oak Ridge of \$21.53.

If we take fire protection, as compared with \$3.52 in the Department of Commerce figures, we find \$13.53 per capita at Hanford, \$12.14 at Los Alamos and \$15.55 at Oak Ridge.

Similar comparisons can be made as to schools and highways.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I hope the gentleman and his committee took into consideration that the installation at Los Alamos, N. Mex., is completely isolated and high on top of a plateau with one road only for transportation purposes from Santa Fe, Albuquerque, and other communities.

Mr. WIGGLESWORTH. I agree with the gentleman that an exact comparison with operations elsewhere may not be possible or fair, but the figures are so far out of line as to command attention.

I may add that there is great variation between the three communities. For instance, the net cost to Uncle Sam at Hanford, with a population of some 18,000 people is about \$1,100,000, whereas at Oak Ridge, with a population of 36,000 or about double that at Hanford, the net cost to Uncle Sam is \$10,000,000.

In other words, it requires 10 times as much money to operate a town with twice the population of Hanford.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. HOLIFIELD. Of course, there are two different types of operation. In Oak Ridge you have your closed type of operation; in Hanford you have the open type of operation.

Mr. WIGGLESWORTH. Well, I think the Commission admits it has no uniform accounting structure, and that this is reflected in the wide variations in the

cost of operations in the towns to which I have referred.

The research and development program of \$152,000,000 seems to be both expensive and lacking in coordination.

Administrative expenses reflect the highest percentage of high salaries in the Government, I believe, and include a request for 2,850 automobiles, largely because the Commission apparently wants to equip with motors the universities and industries which take on contracts for it.

The point of view of the Commission in regard to financial control is perhaps well reflected in the fact that the general manager at Oak Ridge has authority to make purchases and enter into contracts ranging up to \$5,000,000, and as many of them as he sees fit, without prior approval by the General Manager, let alone any member of the Commission.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I cannot imagine any competently run business indulging in any such delegation of power.

Mr. Chairman, I want to point out that the General Manager of the Commission stated, and I quote:

That 10 percent of the activities can be considered as having no direct relevance to the military activities of the Commission.

I want to point out also that some 3 months ago, when the original justification for this agency was presented, it called for exactly the same amount as subsequently requested in a revised justification. After the original justification was presented, the Commission appeared before the Subcommittee on Deficiency Appropriations, which was very critical of its construction activities. As a result the Commission revised its justifications, resubmitted them, took out \$40,287,573 from its construction activities, and sprinkled it over its other activities so that the over-all total was exactly the total which had been originally presented.

In other words, 3 months ago, outside of construction activities, the agency was satisfied with \$40,287,573 less than requested in its revised justification.

Your committee feels that the reduction recommended can be readily absorbed, first, in administrative expenditure in respect to which a specific cut is recommended; second, in respect to the costs of operation of community facilities, in respect to which a specific reduction is recommended; and third, in the field of construction costs, in the field of nonweapon, nonbiological and nonmedical phases of research and development, and in the field of prior obligations in respect to which the agency estimates that it may require as much as \$250,000,000.

Your committee is confident that the vital functions of this Commission will not be impaired in any way by the suggested reduction.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. COLE of New York. With the permission of the gentleman, I should like to quote from the report of the committee on this item for the Atomic Energy Commission, in which it says:

There is some feeling among the membership of the committee that the Commission has taken advantage of its strategic position in modern military defense to avoid facing the practical realities on less important and subsidiary elements of their budget. The impression left with the committee is one of general extravagance.

That concludes the quotation from the report of the committee. I should like to state that there are many or, at least, several members of the Joint Committee on Atomic Energy who share those same views as expressed in the report to which I have just referred.

Mr. WIGGLESWORTH. I thank the gentleman for his contribution.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I want to add my endorsement to what the gentleman from New York has said. I think we have arrived at a time now when the Atomic Energy Commission should submit its request for funds to the Congress just the same as any other department does, and let them all be reviewed, so that we may know that the American people will get a return of 100 cents on every dollar.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. HOLIFIELD. As a member of the Joint Committee on Atomic Energy I would like to say that the Commission has appeared before the committee in many sessions during the last year and a half, and in no instance has the joint committee condemned them for extravagance of operation. There has been no evidence brought before our committee as such to condemn them for extravagance of operation.

Mr. WIGGLESWORTH. Has the gentleman consulted the investigators of his committee?

Mr. HOLIFIELD. No; I have not consulted the investigators, but I have attended every meeting that the Commission has been to. I have heard the questions and I have heard the answers, and it is not necessary for me to consult an investigator when I know that no such charge has been made in our committee for a year and a half.

Mr. WIGGLESWORTH. I think some of the things his investigators have on hand might be of interest to the gentleman from California.

Mr. HOLIFIELD. They should be presented to our committee, then, in open session.

Mr. WIGGLESWORTH. Mr. Chairman, I do not want to take too much time, but there are three other agencies here that I want to discuss.

THE UNITED STATES MARITIME COMMISSION

Your committee recommends an appropriation of \$102,000,000 plus \$75,000,000 in contract authorizations for the

United States Maritime Commission. This compares with a request for \$141,800,000 in appropriations and \$60,000,000 in contract authorizations. This is an increase of about \$15,000,000 in contract authorizations and a decrease of about \$39,400,000 in appropriations.

These are the cuts recommended.

This is a reduction of \$13,400,000 in the operating subsidy requirements. This reduction results from a new plan which has been worked out by your committee investigator with the Maritime Commission, and with which the Maritime Commission is very much pleased. It has expressed in a letter its appreciation to our investigator. In substance the new plan provides that instead of paying the full estimated subsidy every year regardless of the earnings of the subsidized lines, there shall be paid only the subsidy less the amount that it is estimated will be subject to recapture and thereby returned to the Treasury of the United States. For those who are interested in the details, you will find a letter embodying them at page 611 of the committee hearings.

There is a \$10,000,000 reduction in the cash column of the construction program. The committee has allowed the over-all request in full plus \$5,000,000 for design and specifications but it has moved some \$10,000,000 from the cash column to the contract authorization column, in the belief that the cash will not be needed in full in the period under consideration.

There is a \$1,100,000 reduction in respect to drydocks which it was originally planned to purchase but which the Navy Department advises are not available at this time.

There is a \$10,700,000 reduction in money requested for the purpose of bringing home and placing in the reserve fleet some 86 vessels originally sent to Russia on lend-lease account. In the absence of any arrangements to bring those ships home the money has been deducted.

Then there is a reduction of \$4,600,000 with respect to administrative expenditure and the reserve against contingencies. The committee investigation is particularly critical of the Field Audits Division of the Commission. They report accentuated overstaffing and both useless and inefficiently conducted work. They recommend the transfer of one-half the staff to accounting and temporary backlog work with a very substantial saving.

There is an increase recommended in respect to the maritime training fund. This amounts to \$1,265,880, giving a total appropriation slightly below that recommended by the House a year ago. This permits a pay increase for cadet midshipmen from \$65 to \$78, in accordance with Annapolis standards. It permits an increase in the number of cadets at the State maritime academies. It permits the normal operation of Kings Point, St. Petersburg, Pass Christian, Alameda, and the Maritime Service Institute.

Mr. POTTS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. POTTS. As the gentleman knows from conversations I have had with him in respect of the State maritime training program, I have been very much interested in it and am very appreciative, and I think the country as a whole should be very appreciative of the action the committee has taken in awarding a sum for this purpose which will enable the State maritime schools, of which there is one in my district, to train cadets for the merchant marine to the extent of 900. I think that in these perilous times the money will be well spent.

Mr. WIGGLESWORTH. I may say to the gentleman that the committee appreciates his interest and strong support of this item and shares his views of its importance.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. HAND. Can the gentleman advise me whether in his opinion adequate allowance has been made by the committee in this bill for proper operation of the Merchant Marine Academy at Kings Point? At a recent visit there, I was advised that the funds were so short for the operation of that particular academy it was necessary to employ members of the Cadet Corps in various menial occupations to the detriment of their studies. I wonder whether the gentleman is satisfied that there is an ample amount in this bill for the proper operation of that particular academy with which I am especially concerned.

Mr. WIGGLESWORTH. That has been the unanimous intention of the committee, I will say to the gentleman, and in my opinion there should be ample funds for that purpose.

Mr. HAND. Can the gentleman advise me to what extent the committee cut the budget estimate in that particular, or has not the Budget been cut down to that fine point? That is just the training item?

Mr. WIGGLESWORTH. It has been increased.

Mr. HAND. It has been increased?

Mr. WIGGLESWORTH. Yes.

This will be the first year Mr. Chairman, during which the Commission will have been on a strict appropriation basis.

The Comptroller General was very severe in his indictment of the agency in his testimony in December, first, in respect to his audits for the fiscal years 1946 and 1947 and, second, with respect to the failure by the Commission to install the accounting system which he has sought to have installed for many years.

Under leave to extend my remarks, I include excerpts from his comments in this connection:

The accounting records for the fiscal years 1946 and 1947 have not been completely recorded or adjusted to the facts. On the whole, the accounting records were in even worse condition than in prior years.

The survey disclosed that the books and records were in a more deplorable condition than that which prevailed in the prior years audited, when little, if any, reliance could be placed on internal controls due to laxity in accounting methods and inaccuracies in accounting results. The financial transactions

for the fiscal year 1946, other than cash transactions, had not been completely recorded in the books, so that the accounts at the year's end were not in accord with the facts. Neither the cash transactions nor the non-cash transactions for the fiscal year 1947 were completely recorded in the books. As a result, the June 30, 1947, balances of the book accounts did not substantially represent the factual status of the respective accounts, nor did the entries in the accounts reflect all the transactions pertaining thereto which had occurred during the fiscal year.

During the fiscal years 1946 and 1947, the Maritime Commission and the War Shipping Administration failed to maintain adequate and current records of their financial transactions. The examination of the accounting records disclosed that such records were in even worse condition than in prior years and that the accounting deficiencies reported, in prior audit reports were considerably aggravated.

In view of the incomplete and inaccurate condition of the accounting records it was practicable to prepare financial statements for the Maritime Commission and War Shipping Administration showing the results of operation for the fiscal years 1946 and 1947, and the financial position at the close of the respective fiscal periods, and, therefore, it is not possible to furnish a certificate in this connection in accordance with generally accepted accounting practices.

Referring to the accounting system which the General Accounting Office had sought to have installed since 1937 and which had not yet been installed, he said:

Ten years of frustration in our dealings with the Commission in this and many other matters has just about exhausted our patience.

There appears, however, to be an improvement in conditions at the Commission. Your committee is advised that the accounting system just referred to has finally been installed and is awaiting approval by the General Accounting Office. Your committee is also advised that the Commission will return to the Treasury at the end of the fiscal year an unexpended balance of about \$250,000.

The Commission still continues to act on the one hand as the majority stockowner of the American President Lines and on the other hand as its governmental regulator, subjecting itself inevitably to charges of favoritism and retaining what to my mind is an impossible position.

The committee is advised, however, that the suit pending to determine the ownership of the line has been heard in court, that a decision is expected in the near future, and it has received the assurance of the Chairman of the Commission and of Commissioner Carson that, in the event of a finding to the effect that the line does in fact belong to the Commission, immediate steps will be taken to bring about its disposal.

The testimony of the Navy is to the effect that we would be short to the extent of 116 tankers in the event of an emergency. This is a sad commentary when we recall the pressure last year from the State Department and other sources resulting in the sale foreign of 133 tankers.

Mr. Chairman, I have taken more time than I intended, but I must say some-

thing about the Veterans' Administration and surplus-property disposal.

VETERANS' ADMINISTRATION

For the Veterans' Administration your committee recommends \$5,125,000,000 in cash and \$43,000,000 in contract authorizations, which compares with a request for \$5,479,000,000 in cash and \$43,000,000 in contract authorizations, a reduction in the budget estimates of \$354,600,000.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield for a question.

Mrs. ROGERS of Massachusetts. Why was that done? What justification was there for that?

Mr. WIGGLESWORTH. If the gentleman will permit me to complete my statement, I hope I will be able to explain the situation in detail.

May I say in passing, as of possible interest, that the \$3,000,000 which was made available in the deficiency bill several months ago is to be largely paid back to the Treasury at the end of the fiscal year, as an unexpended balance.

As the House knows, your committee has had the advantage of reports during the past 2 years by outstanding investigators. These investigators have pointed out the possibility of far better service for our veterans at greatly reduced costs through reorganization and other administrative economies.

We also have this year a new Administrator, Gen. Carl Gray, who, as the Members know, has an outstanding record, not only in both World Wars, but as a business executive.

The reports have been brought to the Administrator's attention. He has expressed great interest in them, but has suggested that they be laid aside for the time being pending an over-all examination in the field, upon which he has already embarked.

The committee has complied with his request.

You will find the cuts recommended in the report.

For administration, hospital, and domiciliary services, the request was made for 936.7 million dollars. Your committee recommends that every cent be allowed in respect to medical care. This means an increase in the medical field next year of some 14,000 people and some \$74,000,000.

Your committee also recommends that every cent be paid in respect to other administrative expenditures with one exception. That exception is an item of \$18,000,000. It represents the cost of operating 13 branch offices during April, May, and June 1949, that is to say, during the last quarter of the present fiscal year.

Your committee has had reports from veterans and from veterans' organizations and has also seen the recent findings of a subcommittee of the House Committee on Veterans' Affairs, all of which indicate the possibility of better service with less money through the curtailment or elimination of these branch offices and the transfer of the lower-paid personnel where essential to regional offices.

Under leave to extend my remarks, I include at this point in the RECORD certain quotations from veterans' organizations to the subcommittee referred to.

I quote a paragraph or two from the report of the Subcommittee on Administration and Finance of the Veterans' Administration, Committee on Veterans' Affairs of the House of Representatives, Eightieth Congress, second session, page 21:

RECOMMENDATIONS: BRANCH OFFICES

1. That a substantial reduction shall be made in the supervisory personnel and branch offices, over and beyond the reduction recently announced by the Administration while this report was in the process of being written. That the funds saved by such reduction be used in payment of salaries where needed in the lower-income brackets employed in the regional offices; or, putting it in another way, those employed on the production line.

2. That the branch offices at some date in the not-too-distant future be abolished, with the exception of a small supervisory group to make on-the-spot supervision of the operation of regional offices and other facilities in the areas under the jurisdiction of the branch offices as now constituted, this reorganization to take place as soon as the insurance accounts are straightened out.

RECOMMENDATION OF THE VETERANS OF FOREIGN WARS

I quote also from a recent statement by a national representative of the Veterans of Foreign Wars before the Committee on Veterans' Affairs:

The recent announcement of a reduction in personnel in the Veterans' Administration caused little surprise to the officials of the Veterans of Foreign Wars of the United States, who have been for many months cognizant of the fact that the Veterans' Administration has been far overstaffed for the past 2½ years in some of its activities.

Quoting further:

The principal problem confronting us today is the need for low-salaried essential personnel in the regional offices of the Veterans' Administration, and the means of providing this personnel without requesting additional funds from the Congress of the United States.

We submit that this problem could be solved by abolishing the branch offices as they are now constituted, leaving the national service life insurance in the present 13 locations, under directors of insurance who will report directly to the Assistant Administrator for Insurance at Washington, by decentralizing the dependency-claims work from the branch offices to the regional offices, and by leaving in certain selected branch offices very small and well-trained supervisory forces for the supervision work in their areas.

We are convinced that such action should not only materially improve the service to the disabled veterans but should also result in savings to the taxpayers over and above the money needed for the employment of essential personnel in the regional offices.

RESOLUTION OF NATIONAL COUNCIL OF ADMINISTRATION OF THE VETERANS OF FOREIGN WARS

Also, I include a copy of a resolution adopted by the national council of administration of the Veterans of Foreign Wars of the United States at its meeting in Kansas on October 16, 17, 18, 1947.

ECONOMY OF ADMINISTRATION IN THE VETERANS' ADMINISTRATION

Whereas the appropriations currently granted to the Veterans' Administration represent one of the largest single items of Federal expenditures; and

Whereas most of our citizens are under the mistaken impression that all of this money is dispersed to our disabled veterans and their dependents; and

Whereas a large part of these funds is used to pay the salaries, traveling, and other expenses of high-salaried staff, coordinating and planning, and supervisory personnel, whose duties have little or no bearing on direct benefits to veterans; and

Whereas the preparation of forms, flow charts, reports, news releases, and other nonessential issues of the Veterans' Administration is very costly, time-consuming, and requires the services of hundreds of employees in their preparation, printing, distribution, and reading; and

Whereas certain divisions of the branch and regional offices of the Veterans' Administration are nonoperating administrative offices, which consume the services of highly paid staff personnel while contributing little direct benefit to the rehabilitation of veterans; and

Whereas the operation of branch offices as now constituted makes it necessary for adjudicating work to be performed in certain instances both in the regional office and in the controlling branch office at considerable expense and with a great loss of time; and

Whereas millions of dollars have been obligated for the benefit of private architects for hospital plans and specifications which are now found to be impractical and useless; and

Whereas all of these activities and others add to the cost of administering direct benefits to veterans without adding appreciably to the service, and in fact in some instances retarding the service to disabled men; and

Whereas it is our studied opinion that unless the action contemplated in this resolution is taken immediately our veterans will be confronted with legislation similar to the infamous Economy Act of 1933, which reduced the meager benefits that were paid to veterans of World War I who suffered disabilities in that war, and to the widows and orphans of those who made the supreme sacrifice: Now, therefore, be it

Resolved, That the national council of administration of the Veterans of Foreign Wars of the United States, at its meeting in Kansas City, Mo., October 16, 17, and 18, requests the Administrator of Veterans' Affairs to immediately eliminate those positions and units of organization which are not contributing to direct benefits to our veterans and their beneficiaries, thereby eliminating millions of dollars of unnecessary overhead now charged against veteran benefits.

Also I include recommendations of other veterans' organizations:

AMERICAN LEGION

Resolution No. 290: "Urges decentralization to regional offices of adjudication of all claims for death compensation and pension, insurance, or burial allowance."

DISABLED AMERICAN VETERANS

Resolution No. 16: "That the number and jurisdiction of branch offices be reduced, death cases to be decentralized to regional offices."

Resolution No. 38: "Urges that the 13 VA branch offices be abolished, processing and adjudication of death claims and insurance to be transferred to the regional offices, supervisory and inspection services to central office."

AMERICAN VETERANS OF WORLD WAR II

Resolution No. 21: "Entire handling of death pension claims be decentralized to the regional office level."

Resolution No. 36: "Urges abolition of VA branch offices to be replaced by three area offices."

Mr. VAN ZANDT. Is it not true that the branch offices simply overlap other departments of the Veterans' Administration?

Mr. WIGGLESWORTH. In my opinion, that is largely a fact. Rather than take definite action at this time, however, the committee has decided to recommend that the funds be withheld for the last 3 months of the year, so that a new Congress can consider that broad question in the light of the Administration's field survey.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield for a question.

Mrs. ROGERS of Massachusetts. Will the gentleman tell me why that \$3,000,000 was not needed for the hospital and other personnel? I am wondering if this is not the case. I know at Maguire General Hospital recently the medical section found out that they were short 11 attendants. They probably were not taking that into consideration. They did not get the money for those attendants or other personnel until the last 10 days or so.

Mr. WIGGLESWORTH. Last autumn the agency expected to have a large deficiency. As time went on it found its estimates were in error and it now expects to turn back two or three million dollars at the close of the fiscal year.

Mrs. ROGERS of Massachusetts. I would also like to say it was admitted there was a shortage of attendants. Those attendants are now being replaced. I do not think they took that into consideration when they made this cut.

Mr. WIGGLESWORTH. That I do not know. The committee was simply advised that the Administration was in a position to turn back between two and three million dollars as of June 30.

Mrs. ROGERS of Massachusetts. I think if the gentleman goes into that he will find that such is the case. The gentleman knows they are behind in their work in Massachusetts in the payment of subsistence allowances.

I would like to say to the gentleman that our inspection committees have gone out and made certain findings and, in some cases, certain recommendations. As far as I know, practically no one of those recommendations has been carried out. I would like to state that insofar as insurance is concerned, my subcommittee on insurance—and I also signed the report as chairman of the main committee—finds that recommendations were made which they thought would be carried out. Mr. Howell, the man who was investigating for former President Hoover, had made certain recommendations, and he thought they were being carried out. They are not being carried out. I think the situation with regard to insurance is as bad as it was when we made the report.

Mr. WIGGLESWORTH. I am sure that the gentlewoman's activities in this connection will be very helpful to a better service for our veterans.

The second item for reduction is an item of \$1,000,000 for printing and binding. Only about half the amount ap-

propriated will be spent this year and there is a large carry-over of supplies.

The third item is a reduction in penalty mail costs, \$3,600,000.

The fourth item, \$4,000,000, with respect to military and naval insurance, is a reduction freely conceded by the Veterans' Administration.

The fifth item, \$28,000,000, is merely the cash margin with respect to hospital and domiciliary facilities between the funds on hand and the estimated expenditure for 1949.

The sixth item, \$50,000,000 is a reduction in respect to pensions. It has no effect on the payment of pensions, of course, because they must be paid as and when they become due. There is however a \$156,000,000 carry-over in prospect, which will give the agency about the same amount as it had this year. The administration's estimate for the current fiscal year was too high by about \$480,000,000 and your committee feels that the proposed reduction is in order.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

The seventh item, \$250,000,000, is in respect to readjustment benefits, \$50,000,000 in respect to readjustment allowances, and \$200,000,000 in respect to education and training.

Again in respect to readjustment allowance there is a carry-over in sight of \$609,000,000. Here again the Veterans' Administration's estimate for this year was too high by about \$440,000,000. The committee's estimate is based on trends for 1947 and the first part of 1948. The allowances will of course be paid as and when due.

A word as to the proposed reduction of \$200,000,000 in respect to education and training, in respect to which a number of questions have been presented to me this morning.

This recommendation grows out of language which the committee recommends on page 14 of the bill, reading as follows:

Provided, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character.

This language is recommended pursuant to a report of the Bureau of the Budget several months ago which you will find on page 424 of the hearings. I urge a careful reading of the report. It demands action in the interest of the veteran.

The language is recommended also pursuant to the recommendation of the President in his budget message.

It is recommended with a view to holding this training within the intent of the law to that training which is strictly vocational or occupational as distinguished from that training which is avocational or recreational in character.

I have presented this language to high officials in the Veterans' Administration, to high officials in the American Legion, to high officials in the Veterans of Foreign Wars, to outstanding veterans on the floor of this House. All have agreed that the proposed language is desirable, that it is desirable in the interest of veterans with a view to eliminating criticism and adverse reaction and with a view to removing any possible tendency toward another economy act.

I call your attention to the fact that the language does not affect any course before July 1, 1948; that it does not affect any legitimate course of any character which is helping a veteran in his vocation or his occupation. No such course will be touched in any manner. It merely authorizes General Gray, as Administrator of the Veterans' Administration, to determine what course is within the intent of the law and what course is not.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MANSFIELD. I am deeply grateful to the gentleman from Massachusetts for the very lucid explanation he has given concerning this particular language. My colleague from Montana, Mr. D'Ewart, and myself both have received communications from our State to the effect that if the words on page 14 relative to readjustment benefits are allowed to remain in the bill, that some of these flying schools which participate in the flight training program will be forced to the wall and out of business. Is that true?

Mr. WIGGLESWORTH. No legitimate flight training course should be affected in any way by this language.

Mr. MANSFIELD. I thank the gentleman. I am concerned about the way the Veterans' Administration will administer this proviso. I have heard from Harland Herrin and Col. Frank Wiley about this proviso and they are very much disturbed by the possibilities this will have on legitimate flight schools. It is my hope that every consideration and protection will be given to legitimate flight training schools.

Mr. CURTIS. Mr. Chairman, will the gentleman yield further along that line?

Mr. WIGGLESWORTH. I yield.

Mr. CURTIS. In other words, this proviso on page 14 is not intended to interfere with any young veteran who wants to take flight training for the purpose of equipping himself to use that flight training in his business or occupation.

Mr. WIGGLESWORTH. It certainly is not.

Mr. CURTIS. But it is intended to cut out the frivolous and recreational?

Mr. WIGGLESWORTH. Yes; dancing, photography, and various other types of courses which have been bringing the program into disrepute, and which are described in the report of the Bureau of the Budget on page 424 of the committee hearings.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. KEARNEY. The thing this bill does is to make the program work the

way it was intended to work and to do away with frivolous courses but not to interfere with the rehabilitation of the veterans in any way.

Mr. WIGGLESWORTH. The gentleman from New York states the facts exactly.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. RICH. I wish to congratulate the gentleman and the committee on the hard work they have evidently put in on this bill. I quite heartily agree with the gentleman that a lot of these frivolous things like mixing drinks and dancing should not be paid for by the Federal Government, but I quite agree with the gentleman from Nebraska that when a fellow learns the art of flying which will eventually help him not only in his business but the country in case of war, we should give these young men that training. The majority of those who take it are young boys who went into the Army right out of school. Their training will prove a big help to the country in the future, and I am sure the Administration will take that into consideration when it determines what courses are necessary.

Again, I congratulate the gentleman and his committee on their work.

Mr. WIGGLESWORTH. I thank the gentleman from Pennsylvania.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MILLER of Connecticut. I am sure that if the gentleman from Massachusetts were administering this language we should have no concern, but the record is quite clear that the attitude of the Veterans' Administration is against flight training in all its forms. There is every reason to be concerned about leaving this language in the bill. The basic law provides that nobody in the Veterans' Administration shall interfere with the course at any school or college. Still they have refused to allow a veteran to take as part of his elective course flight training. I want to see these fly-by-night schools and institutions eliminated, but the places they are hitting the hardest are State universities which are offering this as a part of their supplemental course. The subcommittee headed by the gentleman from Ohio [Mr. RAMEY] has had days of hearings on this subject and I think it was very clearly developed that the attitude of the Veterans' Administration toward flight training is that it should be cut out altogether. I hope some way will be found to do what the gentleman says he wants done, and that is eliminate the superfluous programs, yet not interfere with legitimate flight training in legitimate flying schools. There is plenty of testimony that those who control the program in the Veterans' Administration will eliminate flying altogether.

Mr. WIGGLESWORTH. I think the debate on the floor today should make it very clear to General Gray what the Congress expects to be done.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that this so-called GI flight training under existing arrangements has developed into a racket in some cases? What the committee is trying to do is eliminate the racket by placing the administration of same in the hands of Veterans' Administrator, Mr. Gray, and it is the intention of the committee or the Congress to eliminate legitimate flight training?

Mr. WIGGLESWORTH. The gentleman is correct.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman from Connecticut spoke about the Subcommittee on Veterans' Affairs on training and education. I would like to state to the gentleman from Massachusetts and also to the gentleman from Connecticut that the full committee reported a bill that was introduced and amended by the gentleman from Ohio [Mr. RAMEY], which I think will correct the abuses of flight training, without being as hard and fast as this is. I think under this provision of the bill many men who want to take flight training as a sort of preparation for war and business will be barred from doing so.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Texas.

Mr. TEAGUE. The gentleman from Connecticut spoke about those who are going to administer this bill. He is absolutely correct. It is their intention to cut out every flying school and I think in the gentleman's remarks he should let the committee know and the Veterans' Administration know that this shall not apply to legitimate flying schools.

Mr. WIGGLESWORTH. I assume the Veterans' Administration will read the RECORD we are making here today in connection with the administration of this language. I will be more than happy to do anything I can to make the intent of the committee clear.

Mr. TEAGUE. A veteran may want to take up aeronautical engineering, in which flight training is also taken with that course. Would the gentleman consider that avocational or recreational?

Mr. WIGGLESWORTH. Any training that is taken with a view to helping the veteran in his occupation or his business falls within the intent of the aid which the Congress clearly intended to extend to our veterans.

Mr. TEAGUE. I will say that flight training in an aeronautical engineering course, of course, would do that.

Mr. ROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. ROSS. May I call to the gentleman's attention a provision on page 12 which reads:

It is noted that this does not affect any veterans enrolling prior to July 1, 1948, and that the determination as to whether a course is avocational or recreational is vested in the Administrator.

Now, do you not say there that the Veterans' Administrator has complete and full authority to make the final determination as to what course, no matter what course in our educational system, is avocational or recreational, whether it be dancing, golfing, accountancy, or anything else; the final determination, as I understand it, is placed in the hands of the Veterans' Administrator?

Mr. WIGGLESWORTH. It is placed there, and I think it is the best place to place it. Someone has got to make the determination.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself five additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD on this subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. MILLER of Nebraska addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. COUDERT. It occurs to me that it might be helpful at this point in connection with this matter to point out one or two observations in the report prepared by the Veterans' Administration at the request of the Director of the Budget in connection with this flight training matter, appearing on page 426 of the hearings. It makes the point that—

More than 90 percent of all flight training serves no occupational purpose.

Out of a total of 339,300 veterans who entered various flight-training courses up to November 1, 1947, 16,300 have completed advanced courses; 204,600 dropped out before completion of advanced flight training; 118,400 are currently enrolled.

The ratio of completions of advanced courses—which indicate possible vocational use—to total terminations, including drop-outs, is 16,300 to 220,900, or 7.4 percent. From a training standpoint, therefore, more than 92 percent of all veterans who have completed or withdrawn from flight training to date have not qualified themselves to use it occupationally.

Yet, for that, up to November 1, 1947, \$250,000,000 has been the cost of that program.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman will recall that I appeared before the subcommittee and asked for an appropriation of \$50,000 for a swimming pool for the paraplegics at the McGuire Hospital at Richmond, Va. Will the gentleman tell me what action was taken by the committee on that request?

Mr. WIGGLESWORTH. I will say to the gentleman that any request by the gentleman from Virginia always receives very sympathetic consideration, and a request of this character would naturally receive particular consideration. The committee did not feel that it was in order to put in the bill an item of \$50,000 for a particular hospital. I am sure, however, if the project has such merit, as the gentleman from Virginia feels that it has, the Veterans' Administration will have no difficulty in finding the amount that he suggests in the funds which are otherwise made available.

Mr. GARY. The gentleman will recall that Dr. Magnuson testified that a swimming pool had a definite therapeutic value for paraplegics. Those boys who are doomed for the rest of their days to a wheel chair have certainly made the greatest sacrifice for their country that can be made, and I think that anything within reason that they ask for should be given to them.

Mr. WIGGLESWORTH. I agree with the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to bring up the matter of the amputee-car bill at this time. I notice that there is over \$1,000,000 that is not expended for the purpose of providing cars for the amputees. The bill in the beginning was discriminatory. It did not take in the double-arm amputees, and they have great trouble in getting about. It did not take in the blind. These two groups are always classed together in the ratings. That bill expires the 1st of July, but they are still waiting in the hospitals. There are several boys who have lost the use of one leg and are gradually losing what remains of the other one. What can the gentleman say to those men if we do not pass legislation for them? That is not before the gentleman's committee, I realize.

Mr. WIGGLESWORTH. I am sure we are all most sympathetic and grateful to those to whom the gentlewoman refers, but there was no request of any kind before the Committee on Appropriations in that respect. I do not know what we can do in connection with this bill under the circumstances.

There is one more matter I want to mention, Mr. Chairman. There appeared before the committee representatives of private activities who were disturbed about what they conceived to be a change of policy in the Veterans' Administration as to the design of hospitals. They protested against what they understand to be a plan to have 14 new hospitals designed entirely by people on the rolls of the Veterans' Administration, thereby substituting Government architectural work for that of private enterprise.

The committee took the matter up with the Administrator and received the following assurances on the record from him:

Mr. WIGGLESWORTH. There is still an opportunity in respect to the 14 for private architects to obtain employment?

General GRAY. There is.

Mr. WIGGLESWORTH. Have you or have you not built up an architectural staff on your pay roll—and if so, to what extent—with that in view?

General GRAY. To design hospitals?

Mr. WIGGLESWORTH. Yes.

General GRAY. Not for that purpose. The staff has been built up for the purpose of two things: First, designing of these additions and betterments and alterations; and, second, to average the force incident to doing a lot of work in connection with the revision of these hospitals.

Mr. WIGGLESWORTH. So far as the 14 hospitals are concerned, there is still opportunity for private architects to be employed, and they will be employed in any instance where they can convince you that it is more economical or more advantageous to the Government?

General GRAY. Than for the Government to do so?

Mr. WIGGLESWORTH. Yes.

General GRAY. Check.

A final word as to surplus property, Mr. Chairman.

SURPLUS-PROPERTY DISPOSAL

The committee feels that the present situation in reference to surplus-property disposal is highly unsatisfactory. There still remains for disposal property of the value of \$4,225,000,000. The property is deteriorating. The 1949 costs of operation are estimated to amount to over 58 percent in terms of realization. Net return to the Government appears to be approaching the vanishing point. There is no likelihood of completing the work with expedition unless some action is taken.

After consulting with members of the Committee on Expenditures in the Executive Departments, your committee has determined to recommend the winding up of the War Assets Administration.

Of the property to be disposed of, there is real estate to the extent of \$2,685,000,000; there is aircraft and components to the extent of \$873,000,000; and there is other personal property to the extent of \$667,000,000.

The Members will find the proposed legislation beginning on page 17 of the bill.

Briefly, it embodies the following recommendations:

First. The abolishment of WAA as of August 31 with the transfer of real estate to the Reconstruction Finance Corporation; of aircraft and components to the Department of the Air Force; of other personal property to the Bureau of Federal Supply; the liquidation of WAA being left in the hands of the Treasury Department.

Second. All priorities to terminate August 31 or some 2½ months after enactment of this bill.

Third. Property not declared surplus before date of enactment to be disposed of under the applicable permanent law.

Fourth. Heads of the three departments involved to have the right to dispose of personal property by donation or otherwise if in the Government interest.

Fifth. Any personal property to be transferable free to other Government agencies if for a public use.

Sixth. Monthly progress reports to be made to the Committees on Appropriations of the Senate and the House.

Seventh. Fifty millions dollars to be appropriated for allocation between the agencies in question by the Director of the Bureau of the Budget.

It is hoped that this proposal will commend itself to the Congress as a whole with a view to the early utilization of the remaining property with the maximum return to the Government.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Chairman, as you doubtless know, this is the second edition of the independent offices appropriation bill. Some 4 or 5 weeks ago we gave you the first edition and now we bring you the final edition, including the Veterans' Administration, the War Assets Administration, the Atomic Energy Commission, the Maritime Commission, the Housing Expediter, and the Office of Defense Transportation.

There is quite a bit of money in this bill. Of course, the biggest, and I may say the most important item, even though they are all important, is the one dealing with the Veterans' Administration.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from California.

Mr. HINSHAW. I think in connection with the Veterans' Administration budget it would be interesting to the House to realize that the fund set up for hospitalization of veterans amounts to a little over 17 percent of the entire Veterans' Administration budget. Ordinarily we think of it as a much higher proportion than that, but actually it comes out about 17.7 percent.

Mr. THOMAS of Texas. I thank the gentleman for his contribution. That is good information, which the House ought to have.

The bill carries this year about \$5,750,000,000. Last year it carried \$6,250,000,000 for these very same agencies. That is a lot of money. It takes a good many heavy tax dollars to pay for the cost of this bill, but these are important agencies and certainly no one wants to slight any of them, and most assuredly the committee does not. I am sure I speak the sentiment of the entire House when I say we do not want to deny our veterans anything to which they are rightfully entitled.

If the Members will refer to the committee report, and I think the chairman has done an excellent job in preparing this report, you will see that it carries a cut of about \$354,600,000 for the Veterans' Administration. In truth and in fact, that is a lot of money, but when you analyze it it is really not any cut to amount to anything, because the committee feels that when \$50,000,000 is taken from pensions, which is a whole lot of money, after all, that is a debt we are going to pay. Last year the Veterans' Administration and your committee missed their guess on the amount of money needed to pay those pensions and benefits that are rightfully due the veterans. If we have missed our guess, we will give them a deficiency to cover immediately. So when all is said and done,

there are no cuts that are going to hurt the Veterans' Administration. I might add that the committee has carried on without the slightest hesitancy the hospital construction program as originally outlined and passed by the Congress. The funds are here to carry out the united bed hospital program.

We gave to the hospital program more money than they had last year to the tune of about \$78,000,000. I want to say that the committee has great faith and confidence in Dr. Magnuson, head of the hospital service.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mrs. BOLTON. Does the committee reserve any authority in the matter of the placing of these hospitals?

Mr. THOMAS of Texas. The location of the hospital?

Mrs. BOLTON. Yes.

Mr. THOMAS of Texas. Not the slightest. We do not try to influence that at all.

Mrs. BOLTON. Nobody has anything to say about it?

Mr. THOMAS of Texas. The gentleman will recall that we had quite a controversy on the floor of the House last year as to the location of one hospital because of the very high cost of the land, so we put a limitation there. But we have cleared up that difficulty, and I hope we do not have any more. There is nothing in this bill which attempts to direct or control the expenditure of funds as far as the allocation of any facility is concerned.

Mrs. BOLTON. Then there is always the possibility that there may be a good deal of pressure on the Veterans' Administration authority to place hospitals in places that might be convenient for some people?

Mr. THOMAS of Texas. I imagine that is true. That is the American system. But the Veterans' Administration has done a good job.

Mrs. BOLTON. That is perhaps the old American system of inefficiency which sometimes makes a very difficult situation for the veterans who become patients in ill-placed hospitals.

Mr. THOMAS of Texas. That may be so, but they have done a good job.

Mrs. BOLTON. They certainly have and I have the greatest admiration for the way they are doing it, sharing with you your confidence in Dr. Magnuson upon whom the unusually fine mantle of Dr. Hawley descended.

Mr. THOMAS of Texas. I thank the gentlewoman for her contribution.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. VAN ZANDT. Is it not true that the location of the Veterans' Administration hospitals is controlled by the Federal Hospitalization Board, which is composed not only of the Administrator of Veterans' Affairs, but representatives of other government agencies?

Mr. THOMAS of Texas. Several Government agencies comprise the Federal Hospitalization Board, and that is the Board that has the final say.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mrs. ROGERS of Massachusetts. I would like to say what a fine piece of work I think the Subcommittee on Veterans' Affairs has done, but I do feel that the appropriations for various projects of all kinds do not always reach the branches and departments of the Veterans' Administration for which they are intended. Is that not true?

Mr. THOMAS of Texas. I think that is problematical. What I mean by that is that when these officials of the Veterans' Administration make justifications before the Committee on Appropriations, we have no reason as a committee to not believe anything that they tell us. I think they try to allocate those funds the best that they can according to the way the bill is written and according to their presentations. I think they have done a pretty good job.

Mrs. ROGERS of Massachusetts. The committee ask very searching questions, does it not, just as the Committee on Veterans' Affairs does as to the needs and does not just take the written statement of the officials of the Veterans' Administration? They ask if they need anything more and where that money is needed?

Mr. THOMAS of Texas. I think we have a very fine group, I might say to the gentlewoman from Massachusetts, in the Veterans' Administration. I would like to compliment the lady and her committee. I think she has done an outstanding job for the veterans. I compliment her for her energy and good judgment and kindness and patience. She has done an outstanding job for the veterans of all wars that the United States has been engaged in.

Mrs. ROGERS of Massachusetts. The gentleman is extremely gracious. I believe that his committee members, just as every member of our committee, want to do what is right, but I feel the Veterans' Administration often does not present its full case, and often money which the Congress believes is appropriated for one activity is used for another. In fact, I know that has been done.

Mr. THOMAS of Texas. We give them the opportunity to do so. I understand what the gentlewoman is driving at. We give them the opportunity and we ask them off the record about different matters and so forth.

In my humble judgment, if I may continue, I believe that General Gray is one of the finest administrators in the entire Government set-up. He has the unlimited confidence of our committee. We like him, and we think he is going to do a whale of a good job—and he is doing that right now. Let me say this much about the veterans' hospital program.

Dr. Magnusson tells us—and we believed him, too; a great many of us have visited veterans' hospitals—there are no finer hospitals in America today, and that goes for all private hospitals, than are the veterans' hospitals. They have the finest technicians, they have every conceivable type of service, and when a veteran goes to one of those hospitals he is going to get the best attention

that medical science can give him, because we are putting up the cash to get just that.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mrs. ROGERS of Massachusetts. I agree with the gentleman. I know the gentleman, just as we do, wishes to have the money to carry out the provisions of our authorizations. I feel very strongly that the reason the Veterans' Administration turned back some of the \$3,000,000 Congressman McCORMACK and I asked the subcommittee for and was granted was because they did not get that \$3,000,000 until very recently. At least, that is what I have been told by officials of the Veterans' Administration. But, of course, not much of that money has been spent.

Mr. THOMAS of Texas. If I may interrupt the gentlewoman, we went into that very carefully with General Gray. The general has a head full of good horse sense. He is two-fisted. He said, "If you will give me the money I am now asking for in this budget, I will do a good job, and I will not go around saying that I need any more money." I believe he will do that. We are going to give him a free rein. If he does not, we will take his future requests under consideration and see if we cannot do better if he needs it.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to my colleague.

Mr. TEAGUE. The gentleman from New York quoted statistics submitted by the Bureau of the Budget. Did the Appropriations Committee question how those statistics were obtained? The reason I ask that is that statistics were presented to our committee, which were so far different from the figures submitted by the Bureau of the Budget it would make you wonder how the statistics were obtained.

Mr. THOMAS of Texas. In reply to the gentleman's question, I recall that before the Committee on Appropriations went into consideration of this bill the gentleman from Texas, my distinguished friend and able soldier and veteran himself, asked me that very question, and I promised him I would go into it very carefully, either on the record or off the record. And we did it on the record. General Gray stated:

This is my budget. I am standing on it, and if you give me this money I will do a good job and be satisfied.

The gentleman from California wanted to be a little more specific, and he said:

Now, General, just putting it in our own language, will there be any back talk?

The General said:

Put it on the record that this is all I want, and I will do a grand job.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. BRADLEY. In the midst of all these flowers being thrown around to the Veterans' Bureau, I would like to see at least one little daisy thrown to Maj. Omar Clark, Assistant Administrator,

who, through thick and thin, serves in the Veterans' Administration, and who I think is deserving of considerable praise.

Mr. THOMAS of Texas. I thank the gentleman for his contribution. He is a great man and a good man and a fine soldier. He is doing an outstanding job.

I might say that General Gray has on his staff some fine people. They are great men and they are doing their dead level best for the veterans. Certainly one of the most distinguished men in the group is our friend Clark.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. JACKSON of Washington. I would like to ask the distinguished gentleman from Texas a couple of questions in connection with the Maritime Commission appropriation.

Mr. THOMAS of Texas. We are now jumping from the Veterans' Administration to the Maritime Commission.

Mr. JACKSON of Washington. If the gentleman would like to proceed with the veterans' matter first—

Mr. THOMAS of Texas. No; you ask your question, and I will be delighted to answer it, if I can.

Mr. JACKSON of Washington. I desire to get the intent of the committee on these matters. There was some intimation sometime ago that the Maritime Commission might ask for some drydocks to engage in maintenance and repair of the Reserve fleet. Will the gentleman explain what action the committee took on that?

Mr. THOMAS of Texas. Yes; it is a moot question now. They were figuring on getting two or three or half a dozen drydocks from the Navy, but the Navy has withdrawn them. There is perhaps \$750,000 in here for training personnel; and \$350,000 for drydocks, or a total of \$1,150,000.

It was denied and stricken from the bill.

Mr. JACKSON of Washington. The reason I asked the question was that I have a private shipyard in my own district, and there are many throughout the country who are entirely prepared to take care of this work.

Mr. THOMAS of Texas. The gentleman has nothing to worry about for a long time to come.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JACKSON of Washington. The second question relates to matter contained on page 586 of the hearings. I wonder if the committee gave any consideration to the possibility of saving some money in connection with the ship-construction program by the purchase of available hulls that might be used?

Mr. THOMAS of Texas. Does the gentleman have reference to the two big boats out on the west coast?

Mr. JACKSON of Washington. Yes; the *Mariposa* and the *Monterey*.

Mr. THOMAS of Texas. We went into that very carefully. They are two fine ships, incidentally, which, if they were

to be built now, would cost from \$27,000,000 to \$28,000,000 each. They are very fine fast ships, and we have directed the Maritime Commission to get some firm bids to put them in first-class condition. We are very much interested in taking over those ships if we could make a deal and completing them out because we can save several million dollars by doing so.

Mr. JACKSON of Washington. That matter is contained on page 6 of the report?

Mr. THOMAS of Texas. Yes.

Mr. Chairman, I wish to make a few observations about the veterans, and then I will yield the floor to someone else. I have not covered very many of the agencies.

By and large this is a good bill, but I feel keenly disappointed in one item as far as the Veterans' Administration is concerned, and to be perfectly frank about it and fair to everyone I think it was unanimously agreed by the full committee that we were going to give to the veterans the protection that they are not now getting on the housing program for veterans. That is so very important not only to the veterans but to the taxpayers of this country.

The outside potential liability of the taxpayers of this country under the veterans' housing program alone is \$20,000,000,000 and I think as of today we have already committed the taxpayers of this country to the tune of \$3,300,000,000 for veterans' housing. The Veterans' Administration deny very strongly that they have. They say they have no jurisdiction, no law, no authority, to follow up these loans after they have advanced the \$4,000; but in the next breath those people say that they are giving consideration to doing something about it. If they have no authority, how in the world can they give consideration to doing something about it? Frankly, I think my distinguished friend, General Gray, is inconsistent. I think he has been badly misled by his chief counsel, Mr. Odom. Mr. Odom might wake up a little bit.

Well, now, through some misunderstanding—I prefer to put it like that because I know the committee is not going to do anything it ought not to do—

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. Will not the gentlewoman permit me to complete my statement, please? Then I will yield.

As the matter stands, the Veterans' Administration says they have no authority to follow them up. Whether it is real or imaginary or what not, there are a lot of complaints from the veterans. But the Veterans' Administration says the old rule of caveat emptor applies; in other words, let the buyer beware.

How in the world is a veteran going to be aware of some defect in material that only an expert can figure out? Even the builders cannot figure out these defects.

Another agency of Government has a slight finger in this thing. That is the Housing Expediter. He has not had any authority since the Patman Act was repealed, and during the life of the Patman Act he accumulated some 30,000 to

35,000 cases. These complaints all are now pending. Well, under our committee agreement it was my understanding that even though we gave him funds to get out and get him some lawyers and investigators to the tune of 260 employees, he wanted an additional 244. We denied him the 244 thinking that it would be transferred over to the Veterans' Administration because Mr. Wood's authority will die as a matter of operation of law on March 1 of next year, as I understand. The Veterans' Administration is a permanent agency of Government and there is where that authority ought to be and the Veterans' Administration ought to give these boys that protection. Now, through some misunderstanding we agreed in the committee that we were going to transfer that to the Veterans' Administration in whatever language was necessary to give them the authority that they need, but, Lord knows, they do not need any more authority than they have.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMAS of Texas. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, the basic act gives them authority to make loans up to \$4,000. Certainly that carries with it the inherent authority to protect the veteran and the taxpayers.

Let me ask the gentleman from California if I am correct in my understanding and if I am not I will offer the amendment under the 5-minute rule. Am I correct in assuming that it is the intention of the committee to write to the Veterans' Administration at the earliest possible moment demanding that it assume authority on this particular follow-up item for veterans' housing?

Mr. PHILLIPS of California. The understanding of the gentleman is correct. The chairman is not present, but I think I may speak for him and say that is his intention. It should be said further, in support of the gentleman from Texas, that the committee individually and collectively feels that the Veterans' Administration has that authority and, finally, if the gentleman will bear with me for 30 seconds longer, it should be said the gentleman is the one who succeeded in getting the action and the statement from the Veterans' Administration on this point.

The reason it was not included in the bill and action was not taken is due to two things: The fact it had arrived after the committee had finished its meetings and, finally, the fact that the Housing Expediter concludes his work by law on the 1st of April next year. It was felt by that time the Veterans' Administration would have assumed the burden or the obligation or the responsibility, I may say, which the gentleman from Texas feels lies at their door.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to state that the Committee on Veterans' Affairs had exactly the same experience that the Subcommittee

on Appropriations had that the Veterans' Administration promised it would have an efficient inspection made of the houses. Also, may I say to the gentleman that the Committee on Veterans' Affairs reported an amendment to the GI bill of rights, the so-called Legion Homestead Act, that would very much improve the construction of veterans' housing, the loan and inspections, and so forth, and I hope the gentleman will help us secure passage of that bill. Also, as chairwoman of the Veterans' Affairs Committee, I am appointing a special subcommittee to inspect abuses in the construction of houses.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from Florida.

Mr. SMATHERS. May I ask the gentleman if he will give us the benefit of his interpretation of what the committee means by avocation or recreational, insofar as it pertains to flight training?

Mr. THOMAS of Texas. Generally, I will put it like this, and I think we are only echoing the sentiments of the country, certainly of the vast majority of the members of this committee. We feel that if a chap wants to take up twinkletoeing just for the purpose of twinkletoeing, certainly the taxpayers ought not to pay the bill; but if he has an earnest desire to learn to dance in order to make his living, certainly he ought to be able to choose that method of earning his living. When it comes to flight training, if he is anxious to become a pilot or a mechanic and earn his living as a mechanic or pilot and wants to pursue that occupation, certainly we should furnish the funds; and General Gray will, because we do not intend to limit that type of training.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from Nebraska.

Mr. CURTIS. In reference to flight training, suppose he wants to learn to fly as a means of transportation; that being engaged in selling or in any other line of business he wants to learn to fly, or because he is a rancher, and he transacts his business 40 or 50 or more miles away from there, but just as a matter of transportation in his business he wants to fly his own plane.

Mr. THOMAS of Texas. I imagine that General Gray will say "Yes," and I would, too, that that is certainly part of his livelihood and an adjunct to his business, and he should have that opportunity.

Mr. CURTIS. So far as the gentleman is concerned, that is the intention of the committee?

Mr. THOMAS of Texas. Yes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ANDREWS of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I note with grave misgivings the reduction in the appropriation for the atomic-energy program.

I always hesitate to differ with any committee on any reduction in expendi-

tures. My training and my practice for many years has been to cut to the bone, to the irreducible minimum. And if this were a routine program, or if the cut had been buttressed by evidence or had been predicated on some sound basis of computation, my disposition would be to go along with the committee.

But, this program involves a matter of tremendous import, not only because of its intrinsic value and its prospect of future economic developments, but because of its immediate effect upon our international relations and its direct relation to the safety and welfare of the Nation itself.

If we had adopted this policy, Mr. Chairman, when we had before the committee the appropriations for the research which produced the atomic bomb, we would never have perfected the bomb. As a matter of fact, no one can say with certainty that we would have won the war. The practical application of nuclear fissure to present-day problems, including atomic warfare, would have been impossible had we not given our scientists a free reign and money enough to do the job. It was expensive; but it was the best investment of all our wartime appropriations. And we have no assurance that a similar latitude in research may not be just as necessary in this instance.

Of course, it may be said that we were at war when that appropriation was made, and that we are laboring under no such compulsion here this afternoon. Not only are we still technically at war, with no treaty of peace yet in sight, but as a matter of fact there is general agreement that we have been engaged in a cold war with Russia for the last 3 years, and the preponderance of editorial comment is to the effect that we have been losing the cold war. Even at best, the international situation is too unsettled and the security of the country too uncontestedly menaced to reduce the amount provided for this program without ample justification.

It may be that I have gone through the hearings on this item too hastily, but on a cursory examination of the record I have been unable to find any justification for even a tentative reduction, much less the drastic reduction which the committee recommends. It is evidently an arbitrary cut. But its inescapable effect will be to reduce the tempo of atomic-energy research activities at a time when speed is the essence of the problem.

The only tenable basis suggested for the major cut is the statement in the report that the Commission failed to supply the committee with information it requested. The information to which the report seems to refer—and the only information which the Commission apparently failed to submit—was a list of relative priorities of atomic-energy programs. From a reading of the response of the Commission, it is obviously impossible to prepare such a list, as the whole subject is in such a state of flux that there is no dependable data available from which a definite priority list could be compiled at this time. Aside from this one inquiry, the Commission seems to have submitted complete information on both its operations and its programs.

Precisely the same question arose when we had before us the estimates for the original atomic research. General Marshall refused to even tell us for what purpose the money was to be used.

When the committee insisted upon its right to refuse to appropriate the money unless it knew the exact purpose for which the money was being spent, General Marshall bluntly closed the proposition by saying that it was a matter in which both Germany and America were conducting research and that the country which first cracked the problem would win the war. He said if the United States solved the problem first, the United States would win the war beyond the peradventure of a doubt, but if, on the other hand, Germany found the answer first, Germany would win the war in spite of anything that could be done. Subsequently developments corroborated General Marshall's views on the matter, and absolutely in the dark we authorized the expenditure of over \$2,000,000,000 before the first bomb dropped on Hiroshima.

I must confess some of us spent agonizing hours when 2 years passed and it began to look as if the project was a failure and we had poured a nation's ransom down the drain pipe without any return whatever, but if we had followed the policy which the committee proposes to follow here today in shackling our scientists in their investigations, the results of which are comparatively assured, we would never have had the bomb, and it is possible we would not have won the war.

And it should not be overlooked that the development of a superweapon of warfare is only a collateral objective in this project. Along with war potentials are peace objectives even more revolutionary. If the dream of modern science is realized—as now seems possible—industry and transportation and every form of mechanical activity will be powered by an energy which will cost only a few pennies where we now spend millions of dollars, and the productive capacity and the health and happiness of the human race will be immeasurably advanced.

We should hesitate here before we assume the terrible responsibilities which may be involved curtailing atomic research. In this enterprise we are touching elbows with destiny; we are dealing with forces which affect the rise and fall of nations; forces which may contribute to the perpetuation of a golden era of civilization or which may bring about another visitation of the dark ages of medievalism.

Mr. Chairman, may I also call attention to another significant provision of the bill before us, which the subcommittee proposed to eliminate.

As will be noted, the bill carries a paragraph providing that no part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or is a member of an organization that advocates the overthrow of the Government of the United States by force or violence.

The subcommittee proposed to omit this provision although it has been carried in every general appropriation bill

which has passed the House this session. The committee refused to accept the recommendation of the subcommittee and on motion retained it in the form in which it is here reported to the House. And the proponent of the motion to overrule the subcommittee gave as his reason for offering the motion that if it was stricken from the bill the gentleman from Missouri [Mr. CANNON] would take it up on the floor. Ah, Mr. Chairman, I have not lived in vain. I count it as one of the treasured privileges of my service in the House to have had the opportunity of collaborating with my Republican brothers by prevailing upon them to carry out their promise to the people that they would continue the program begun by the Democratic administration which preceded them to eliminate every Communist from the Government. Sad to say, they have been very dilatory in carrying out this program. They have talked a great deal about communism, and about its prevalence throughout the woof and fabric of the Government. But they have sedulously refrained from doing anything about it. There have been statements here on the floor to the effect that the State Department, for example, was honeycombed with communism. They have specifically charged that there were 12 known Communists in the Department of State. But they have taken no steps to remedy the situation.

Under a system which has long been in effect, every employee of the Department of State has been investigated by the FBI and the Secretary of State has said that every employee's record as certified by the FBI has been searchingly scrutinized and all about whom there has been reasonable doubt have been dismissed.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. THOMAS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman.

Mr. CANNON. Mr. Chairman, the elimination of communism from the Government is not only the responsibility of the executive department. The House also has its responsibility. We have carried out that responsibility in preceding Congresses.

When it was charged that there were Communists in the employ of the Government the Committee on Appropriations submitted a resolution and in an investigation authorized by the House investigated the charges and saw that they were dismissed from the Government.

With that precedent in mind, when it was stated on the floor of the House that there were 12 Communists in the Government, I immediately introduced a resolution providing for investigations under which any employee of the Government found to be a Communist could have been eliminated from the Government service, but up to this time no action has been taken on the resolution. And no other method of dealing with the problem has been suggested. In short, nothing has been done.

Then they brought in the Mundt bill, and were at last proposing to take drastic action. It was not just the measure we would have adopted but the Senate

might have improved it. Now it has joined the other resolutions on the subject and has been pigeonholed and again after much talk nothing has been done.

The provisions included in all general appropriation bills offered another opportunity for the Committee on Appropriations and the Congress to take action against communism and Communists in the departments. But beginning with the conference report on the Labor and Federal Security bill agreed to here this afternoon, even that doubtful measure has been abandoned.

The failure to take any action to investigate charges that there are Communists in the executive departments of the Government, the failure to bring the Mundt bill out of the pigeon hole and the abandonment of this simple prohibition against the use of money appropriated in all the general appropriation bills in payment of Communists who advocate overthrow of the government—the evident softening of the attitude of the Committee on Appropriations and the House toward Communists and communism—might be taken on the face of it as a direct bid for the Communist vote next November.

Mr. PHILLIPS of California. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS of California. Mr. Chairman, I will not press my point of order, but I hold in my hand a copy of Cannon's Rules of Procedure written by the distinguished gentleman who is now addressing the House. One of the points upon which a gentleman's words may be taken down is to refer to proceedings of a committee not formally reported to the House.

Mr. Chairman, I withdraw my point of order.

Mr. CANNON. Mr. Chairman, the gentleman cites a very eminent authority.

But it is not only necessary to have good tools; it is necessary to know how to handle them.

Mr. Chairman, the charge that there are Communists in the service of the Government demands prompt and urgent attention. Traitors in the citadel boring from the inside are more dangerous than any external foe. It is the method which Stalin has used in taking over every nation which he has exploited. Every country absorbed by Russia has been prepared for the coup by traitors and fifth columns who betrayed their country to the enemy. If these charges of infiltration in the Departments of our Government are true, prompt steps should be taken to ferret them out. If the charges are not true they ought to be investigated and exposed.

There has been some uncertainty in the last day or two as to whether Congress can adjourn by June 19. But in the last hour leaders of both Houses have expressed the personal opinion that there is yet a possibility that the work of the Congress can be concluded in time to meet the original schedule. If so, time is short and any action on this score should be taken promptly.

If there are people in the Departments who advocate overthrow of the Government by force and violence, give us an opportunity to take up the resolution now in the pigeonholes of the Committee on Appropriations, or bring up and perfect the Mundt bill or enact the appropriations bills with the provisions against payment of Government funds to subversive employees. Let us have a showdown. Either take action or acknowledge that all such charges are campaign propaganda.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, in order that the House may have the truth concerning the subject matter with which the gentleman from Missouri has just dealt, let me call attention to exactly what happened.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. Yes; I yield.

Mr. CANNON. I hope the gentleman does not claim that he has a monopoly upon truth. I trust he does not intimate that the preceding speaker was not stating the truth. If so, I would ask to have his words taken down.

Mr. COUDERT. I think the preceding speaker was speaking under a misapprehension of the facts. I would like to state the facts.

Mr. CANNON. That is entirely different. From a parliamentary point of view, a question of the facts and a question of the truth are two different things.

Mr. COUDERT. That depends upon who the speaker is.

Now, the facts of the matter, Mr. Chairman, are simply these: This is a supplementary bill, the committee's original bill having been passed earlier in the session. Therefore, in the supplementary bill the committee merely referred to the anti-Communist provisions carried in the original bill, including them by reference in the bill presently before the House. Apparently, someone reading the bill and not entirely understanding it, suggested that it be made doubly clear, so the full committee incorporated the very words of the original bill, so that reference to the anti-Communist provision that has been carried in all appropriation bills, is doubly carried in this bill, in deference to those who apparently could not read clearly the bill as originally recommended by the subcommittee.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. KEATING. So that as I understand it, the gentleman from Missouri [Mr. CANNON] is not the only Member of the House who wants to get rid of the Communists?

Mr. COUDERT. That is correct.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. THOMAS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was granted permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I would like to have more than 10 minutes on this particular bill, but I appreciate the allotment, in view of the fact that I know the time is short on both sides.

I think the Appropriations Committee has gradually become the censor of every committee in the House, in view of the fact that they are now writing legislation for every committee of the House, and modifying legislative policy which has been passed by the House in some instances, and in other instances is under contemplation in the respective committees.

I am going to confine my remarks strictly to the elimination of the War Assets Administration in this particular bill, which, of course, is legislation on an appropriation bill, which, under the rule, is permitted, and which interferes directly with the functions of the Committee on Expenditures in the Executive Departments, of which I am a member, particularly of the subcommittee, the so-called Rizley subcommittee, which has that responsibility.

I want to give you just a few points as to what will happen if this bill is passed, as it will be passed, I am sure, in regard to the War Assets Administration, a subject which we have studied for 2 years now in my subcommittee.

As a member of the Expenditures Subcommittee To Investigate Disposal of Surplus Property since the beginning of the last Congress, I have had occasion to become very familiar with the operation of the disposal program. Our subcommittee has probed, investigated, and held hearings on every phase of these operations from Honolulu to Alaska. I am cognizant of the weaknesses of the Surplus Property Act as well as the mistakes which have been made in its administration. I am aware that legislation will ultimately be necessary to clean up the loose ends of this disposal program, and particularly, to carry forward disposals of real property.

The Senate has before it at this time proposed legislation, as has the Committee on Expenditures in the House. Elaborate hearings have been held on these bills.

In view of the consideration which had been given by appropriate committees, I was quite surprised when I read the surplus-property disposal portion of the bill, cited as the Supplemental Independent Offices Appropriations Act, 1949, together with the accompanying report, and again found that the Committee on Appropriations had seen fit to usurp legislative functions of another committee. It is apparent that if such a practice continues, the remainder of the committees will be relieved of the bulk of their work. After reading the transcript of the hearings on this bill, I was further amazed that the committee, on the basis of testimony therein, felt sufficiently advised of the disposal program to propose legislation effecting such drastic changes.

I note with interest on page 14 of the committee report that consultation was had with members of the Committee on Expenditures. I challenge the veracity of that statement to the extent that the subcommittee charged with the responsibility of investigating surplus disposals was never consulted. And, it is my further belief that if such had been the case, no member thereof would have concurred in this claptrap, hot hodgepodge of words, which is neither legally nor practically sound. I am further of the opinion that the findings reflected in the Senate and House hearings on surplus disposal as well as legislation effecting same was never reviewed, and that this monstrosity of legislation, which purports to be the panacea that will end all surplus disposal problems, was born in complete ignorance and with total disregard of the legal and economic aspects of the situation.

I do not purport to be learned in either the writing or interpretation of law, but as a businessman and as a Congressman I think I have acquired a little more than the average layman's knowledge of certain phases of the law and the ability to apply the rules of common sense to what is the law. I would like to submit a few questions and matters for consideration on the legal aspects and practical aspects of the surplus-disposal phase of this bill.

First. The bill provides that the title to all real property, mortgages, and so forth, will be transferred to the Reconstruction Finance Corporation. I wonder if it has ever occurred to the members of the committee that the Reconstruction Finance Corporation is required by law to pay taxes on all of the property that it owns. This will mean that the United States Government will be required to pay taxes, as any other private corporation, on approximately three and one-half to four billion dollars worth of realty. Was this considered in the \$50,000,000 appropriation—it is my humble judgment that the members of the committee either did not know or did not consider it in any respect. The Reconstruction Finance Corporation had its fling in the disposal of surplus property, and I feel that it is unnecessary to do more than point out its record in that respect to question its ability to again be permitted to further muddle disposals.

Secondly, the language of the bill abolishes the War Assets Administration, but is totally silent on abolishing the War Assets Administrator, who, under the Reorganization Plan has functions distinctly apart and separate from those of the War Assets Administration. The bill neither abolishes the office nor the responsibilities of the War Assets Administrator, who under the Surplus Property Act has the power, and the power alone, to make regulations to effectuate the intent of the act. The net result will be, as a matter of law, that the War Assets Administrator, without funds, will be in charge of the Department of the Air Force, Reconstruction Finance Corporation, and the Bureau of Federal Supply in their disposal of surplus property, and, at the same time, will supervise the Treasury Department in the liquidation of the

affairs of the War Assets Administration. I realize this is not the intent of the proposed legislation, but such, in my opinion, will be the necessary legal effect.

Thirdly, the act provides that property which has not been declared surplus under the Surplus Property Act at the time of the enactment of the bill will be disposed of in accordance with the terms of other existing law. This means that an owning agency with usable surplus property on its hands could not declare same to a disposal agency, but would have the burden of disposing of same under existing law. I am advised there is existing law which permits agencies to dispose of scrap and salvage generated from their own supplies, but I am unaware of any existing law which would enable or permit them to dispose of usable surplus realty and personalty other than under the provisions of the Surplus Property Act. If such be true, the import of the bill would have the effect of precluding future declarations of surplus and leave such surplus in the hands of the owning agencies without any authority whatsoever to dispose of it. I note in the committee report that it took into consideration the factors of obsolescence and deterioration. The only alternative that an agency with usable surplus in its hands will have, will be to wait until it deteriorates to the point of being no more than scrap or salvage and only then, can that agency dispose of it under existing law.

Fourth. No appropriation or provision was made for the added burden of disposal on the respective owning agencies, even if such law did exist. The appropriation is to be used by the War Assets Administration until August 31, and thereafter by the Treasury Department, the Department of the Air Force, and the Reconstruction Finance Corporation as allocated by the Director of the Bureau of the Budget.

Fifth. The bill provides that priorities and preferences contained in the Surplus Property Act, as amended, shall not continue beyond August 31, 1948. This does not necessarily present a legal question but one of common sense. The committee report states "that the mail of Congress has carried a running fire of protest from every section of the country." When the former owners of farm land, residential property, plants, abandoned airfields, camp sites, and business property are compelled to stand by and see their former property sold without regard to their being given a prior right to purchase, I shudder to think of the running fire of congressional mail with which we will be deluged. In the early phases of the war, the patriotic citizens of this country, voluntarily in some instances and in others by condemnation, gave up their home sites, their farms, their plants, hotels, office buildings, and other real property holdings, which represented a lifetime of earnings, in order that the war effort might go on. They were, in many instances, by intimation and by actual promise, told that when these properties were no longer needed for the war effort they could reacquire them. Many who have not as yet been able to reacquire their property anxious-

ly desire to do so. Others have been able to reacquire their property under the priorities previously afforded by the Surplus Property Act. Are we at this time to discriminate against these former owners who have not been so fortunate? Are we to repudiate the moral obligation created by those who made verbal commitments at the time of acquisition? There may be those of you who can, with a clear conscience, vote in the affirmative on these provisions and face your constituents, but I, for one, cannot and will not do so.

Sixth. The bill provides for transfer of surplus from designated disposal agencies to other Government agencies without reimbursement. But what provision is there for a transfer between owning agencies who are precluded from future declarations of surplus and other agencies who could use the surplus which is no longer needed?

Outside of the legal aspects, there are factors too numerous to mention which mitigate against the workability of this proposed legislation. Undoubtedly, the possible life tenure of the War Assets Administration is now, or shortly will be, known to its employees. As a practical matter, how much constructive work do you think these employees will produce between now and August 31? Undoubtedly, these employees will spend a major portion of their time in attempting to locate new places of employment. It is true that the bill contains certain provisions for the transfer of personnel. Civil-service employees know from previous experience that wordage to this effect means little or nothing insofar as their rights are concerned, and the absorbing agency, which more often than not is faced with reduction of its own force, will utilize open positions for its own employees, and release those of the incoming agency. I predict that if this legislation is passed these War Assets employees, or at least a great portion of same, will be little more than pensioners for the next 2½ months, and, frankly, if I were faced with the same prospects, and with a family to support, I would possibly pursue the same path.

I wonder how many of you know that the War Assets Administration in the past fiscal year returned a net to the Treasury of approximately \$300,000,000. I am advised that a net of \$80,000,000 was anticipated for the next fiscal year. The amount of this appropriation is absurd, if the present agency were permitted to continue, and is even more absurd when you contemplate its distribution between four agencies in the light of the disposal problem which lies ahead.

It is my humble judgment that it will take 6 months from today to properly and effectively transfer the various functions from the War Assets Administration to the Department of the Air Force, Bureau of Federal Supply, and the Reconstruction Finance Corporation. It is my further judgment that the total appropriation would be absorbed in the payment of annual leave on discharged employees, cost of transfer of functions, protection, maintenance, and warehousing costs of property during the dormant period of transfer, and the further time lost in

new agencies attempting to grasp a problem of disposal which they are not now, nor have they ever, been geared to handle. The cost of deterioration and depreciation of value alone would in all probability exceed the amount of the appropriation. This prediction is not based on an idle estimate, but one can only look to the disposal program and see where similar ramifications and trouble have arisen on each occasion when a new organization absorbed disposal functions, and God only knows what it will be when three agencies attempt to absorb it.

The committee has noted in its report the succession of agencies which have handled the disposal of surplus property, and by inference indicate that too many hands have spoiled the broth. Now, in order to provide the remedy of all remedies, they transfer—not to another agency, but to three other agencies, all subject to the control of still another Bureau. I can conceive of no greater mix-up of administration than can come from such a situation.

In conclusion, it is my humble judgment that this bill should be resubmitted in the light of these ramifications and further consideration be given to a permanent plan of surplus disposal when the present administration has reduced surplus stocks to such a point that they can be transferred with a minimum of expense and delay to disposals. It is my further belief that before such a plan is adopted that the committee should hear from the Bureau of the Budget, Department of the Air Force, Treasury Department, Bureau of Federal Supply, Army, Navy, members of the committee who are familiar with the disposal problems and a full hearing held before such a drastic step as that proposed in the bill, is taken. If the bill, as written, is adopted, it is my opinion that the committee's use of the term "ludicrous" could be best applied to its own cure-all remedy, which will in all probability kill rather than cure the patient. I am getting a little fed up with the policy of plowing under the money crop because of the expense of harvest. If such is to be the policy then let us be truly economical and abandon the crop and avoid even the expense of plowing, which in this case would mean saving the \$50,000,000 appropriated and abandonment of all surplus. This is, of course, absurd.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I should like to say a few words in regard to the atomic energy appropriation this year.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Florida.

Mr. SMATHERS. The gentleman from California has just made what I think are some very serious charges and I hope some member of the Appropriations Committee will take the time and the trouble to explain to we Members of the House what they feel are the answers to those charges.

Mr. DURHAM. That is a question for some member of the committee.

Mr. Chairman, the atomic energy program that was initiated under the Atomic Energy Act of 1946, when we took over this project from the Army, has been subject to criticism, which is one thing I want to call to the attention of this House. This program has been, I may say, carried forward since the program was initiated and taken over by the Commission in what I believe to be a fair, just, reasonable, and progressive way in an effort to try to keep us in a preeminent position in regard to nuclear physics. This program is a very difficult one, one that requires something different from anything else that this House or this Congress has had before it. It is a matter of concern to most of us because of the fact that it is our No. 1 weapon today, and those of us who have followed this program are proud of the fact that today we are still in a preeminent position. There can be criticism directed at the operations, the housing, and the cost, and all of the matters pertaining to it. It becomes very expensive because of the fact that the location of these plants was decided on in a hurry. In most of the places they were built in remote areas, and transportation, roads, housing, and everything else enters into this picture. It is something entirely different from anything else that faces American cities of the ordinary size. So, I do not believe it is fair to compare the operation of any of the public utilities, whatever they may be, with any of our city governments here in America, because most of those have been established over a period of years, and they have had management improvement in their development, whereas we have had to, you might say, nurse this whole program along.

Another thing, of course, that is of great concern to this Congress and also to the entire American people, is a matter that ordinarily we Members have very little to do with here in the House, but under this act we probably may have to enter into the matter of confirmation of the Commission in the next few weeks if we expect to have a commission in operation. Those terms of office will begin to expire the first of August. I am hopeful that the other body and this body can act in a fair and reasonable manner in the continuance of this Commission, because I have tried to, as best I could as a member of this committee, to evaluate their worth to the country and to this important project which is of such great importance to the American people and believe the Commission members have served to the best interests of America.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. THOMAS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Chairman, it is earnestly hoped by many Members of this House that this Congress will not adjourn without providing adequate pay raises for all Federal employees. The general Federal employees, the postal employees, the per diem workers, including those governed by the Wage Board regulation, all have been particularly ad-

versely affected by the rising cost of living, as most of them, not only live in large metropolitan areas, but have not had pay increases in recent years at all commensurate with living costs.

In many lines of private employment efforts have been made to adjust salaries to living costs. Recently in one of our largest industrial plants immediate raises were given, with future increases tied to living-costs indexes. In this area salaries and earnings of those in Federal Government services previously formed a pattern for wages and income for private employment to follow and strive to attain. In recent years, however, particularly since the closing of the war, the converse has been true, and the income of Federal employees is lagging behind comparable services outside of the Government.

I have appeared before committees and previously expressed those thoughts on the floor, and am doing it again with the hope that constant urging by those of us who feel strongly that adequate pay increases should be given to the Government employees, might have some effect on preventing this Congress from adjourning and leaving many of those Federal employees economically unable to meet their budgets. We have been hearing a lot about "must" legislation to be passed before Congress adjourns. The Government is the employer, Congress effects salaries and makes appropriations in the matter of pay adjustments. The responsibility is here in this body. Let us meet it before adjournment.

(Mr. SASSCER asked and was given permission to revise and extend his remarks.)

Mr. THOMAS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I hate to rise and again accuse the Committee on Appropriations of this House of usurping the clear-cut jurisdiction of the standing committees of the House.

One of the main things that was attempted in the reorganization of Congress was to make clear the lines of jurisdiction of the well-established standing committees of the House. Recently we have seen this jurisdiction usurped by the Appropriations Committee on numbers of occasions, whether it be the Committee on Foreign Affairs or many other committees.

In this bill there are about 4 pages of purely legislative action usurping the jurisdiction of not one standing committee of the House but about three or four.

The Appropriations Committee usurp the clear jurisdiction of the Committee on Expenditures in the Executive Departments by writing a new surplus property disposal act. They usurp the jurisdiction of the Committee on Banking and Currency, which has spent many months trying to reorganize the Reconstruction Finance Corporation as a banking institution.

In that regard I may say that the other body spent at least 6 months of investigation trying to get the Reconstruction

Finance Corporation back as a lending institution and clean out all of the extraneous tasks that had been thrust upon it during the war.

The House committee spent months trying to do that, too, and we wrote a new act streamlining the Reconstruction Finance Corporation and cutting it down in size and making it essentially a lending institution.

Now this bill comes in here and we find that instead of having one of the most important lending institutions of the country they are throwing it back into the junk business again. I simply cannot understand why the Committee on Appropriations should usurp the jurisdiction of these standing committees. It has also usurped the jurisdiction of the Committee on Armed Services by giving the already overburdened Air Force the job of disposing of surplus aircraft and aircraft materials.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. HOLIFIELD. Under the present arrangement there is over a billion dollars worth of aircraft component parts still in the hands of agents for disposal. They are getting from 40 to 60 percent back for the Government. Under this bill, this material will go back to the Air Force, and the Air Force under existing law cannot sell it for anything except scrap or junk.

Mr. MONRONEY. I thank the gentleman for his contribution.

PROVISION NOT THOUGHT OUT

This thing has not been clearly thought out, it has not been carefully investigated, and it is going to result in pyramiding millions of dollars of additional costs on the Government without saving one thin dime.

It is going to result in a loss, I think, of many millions of dollars worth of surplus property that could be readily sold if we allow the operation either under War Assets or as the President has recommended and the War Assets Administration has recommended, transferring this in toto to the Federal Works Agency.

MAKING THREE BUREAUS OUT OF ONE

Why the Committee on Appropriations should go to the country and say they are trying to save money, and yet make three bureaus grow where one grew before, I cannot possibly understand.

Here is a very important point. In the last Reconstruction Finance Corporation bill that passed this House only very recently we provided that all real property held by the Reconstruction Finance Corporation would be subject to all local taxes. I should like to read this paragraph of that bill, so you will know it is in the law:

Except that any real property of the Corporation—

That is the Reconstruction Finance Corporation—

shall be subject to special assessments for local improvements and shall be subject to State, Territorial, county, municipal, or local

taxation to the same extent according to its value as any other real property is taxed.

There are \$3,000,000,000 worth of surplus real property now being disposed of as rapidly as possible by the War Assets Administration, not now subject to local taxation, but which is being here made subject to all local taxation, even taxes for educational purposes.

If you have an Army camp in which not a single person is living, you are going to pay the full local taxation on that land that is merely being held while the war cost is being liquidated out of that camp.

I cannot understand any Committee on Appropriations that could possibly look into this thing that would want to start this sort of precedent and make over three billions of dollars worth of war property subject to all local taxation.

If you are going to do that, then you might start by passing laws to tax Federal buildings, such as post office buildings, airplane landing strips, and everything else, because you are setting the pattern in this bill.

Another thing which I think is highly important is that you are going to confuse in the RFC, which operates on borrowed capital as a lending institution in the disposal of surplus property. Where does their borrowing and lending authority cease as to administrative expenses and where does the authority for the use of appropriations for sale of surplus property begin.

You are not going to save anything in personnel. You are going to have to transfer over the caretakers, the watchmen, and the guards, and the other people who are trying to keep this surplus in salable condition and in good repair to these three new sub-bureaus of these three agencies that you are going to make grow up. You are not going to have them be able to assimilate this large job without adding these new sub-bureaus. You will have three instead of one.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. HOLIFIELD. Recognizing the very truth of what the gentleman has said, included in the bill as far as personnel reduction is concerned, the bill does not provide for neither more nor less personnel, but recognizes the fact that this personnel would have to be transferred from these other agencies to take care of them.

Mr. MONRONEY. That is right. It confuses and confounds your attempts to simplify budgetary control by throwing a big monkey wrench right in the middle of it.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. THOMAS of Texas. Of course, we would like to keep the record straight as far as the statement made by our distinguished friend from California is concerned. We are talking about the rights of employees and not the numbers of them. The gentleman from Oklahoma

has just said that we are not going to save a dime. This appropriation for the War Assets Administration was reduced by \$50,000,000, which is a considerable sum.

WILL REQUIRE MILLIONS MORE

Mr. MONRONEY. I thank the gentleman for bringing that point up because the gentleman will be back here next January, and he knows it, with a request for an appropriation for over \$50,000,000 to repair the wreck and damage that this change and shifting and monkeying up an organization which is a going concern will cause.

Let me talk for a minute about this \$50,000,000 that you have here; \$30,000,000 will be required to give, under the law that Congress passed, 30 days' notice to employees and provide for their accumulated leaves of absence.

So whoever gets this job of administering surplus property next year is going to finally have after August 3, just this \$20,000,000 to handle the vast task that has to be handled.

I can conceive of no greater disservice that has been done since the beginning of this Eightieth Congress than the bringing in of such a hasty, ill-considered, messed-up proposition as this. I do hope when the committee reads the bill for amendment we will at least be able to strike this legislative monstrosity from this section and replace it with the language which was in last year's bill and give them the \$50,000,000 or whatever you want to give them. But let us have an orderly procedure.

Let us go ahead and follow the President and the War Assets Administration and transfer this thing in toto to one agency of Government, which would be the Federal Works Agency. This is no savings in this proposed Hydra-headed, three-way disposal set-up.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. HOLIFIELD. I would like to point out that on page 14 of the report there are three items listed which total over \$4,000,000,000, but they left out an item of leaseholds of \$1,050,000,000 which is also inventory of war assets and which requires constant care and supervision. That has been left out. So that is 25 percent of their inventory.

Mr. MONRONEY. That is another illustration of the old adage that "Haste makes waste."

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield? It might save a little time to ask the gentleman from California [Mr. HOLIFIELD] and the gentleman from Oklahoma to read the bill, and they will see that the leaseholds and matters of that kind are in the bill and are transferred.

Mr. MONRONEY. Transferred to the RFC? I would like to ask the gentleman, or any member of the committee, just where real property leaves off in these war plants and personal property takes hold.

Mr. PHILLIPS of California. That is a very good question, but I do not want to

answer it on the gentleman's time, as your time is getting short.

Mr. MONRONEY. The laws of many States require that the machinery and equipment in these plants is a part of the real property. You are not going to find that the RFC will be alone in their confusion on what property they are to handle.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. THOMAS of Texas. I yield the gentleman one more minute, the last minute I have, Mr. Chairman.

Mr. MONRONEY. You are going to find that you are not going to be dealing in real estate alone, but in machine tools and equipment of all kinds as well as real estate in the RFC.

We are trying to streamline that organization, in the Committee on Banking and Currency, to get rid of these extraneous details.

When a motion is made to strike this language and reinsert the language in last year's appropriation bill and include the amount which the committee recommends, I hope the membership will vote for it. Let us stop this practice of stripping legislative committees, who are given jurisdiction by the House, and turning over to the all-powerful Appropriations Committee the job of legislating.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. GROSS. Where does this opposition come from, of the Government dealing in everything? I thought the Government was in everything long ago.

Mr. MONRONEY. They will be in a whole lot more things under this bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. RAMEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RAMEY. Mr. Chairman, I concur in the conclusion of the gentleman from Oklahoma [Mr. MONRONEY] that the time has arrived that the Appropriations Committee should cease usurping the functions of the regular legislative committees and writing legislation in the appropriations bills.

I am referring specifically to page 14, line 10, beginning with the word "Provided", wherein it is indicated that no part of the appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and so forth.

This morning in the Veterans' Affairs Committee, we recommended for passage H. R. 6079. With this bill, State rights are still protected. The State authorizing agency still has authority; yet, at the same time, the Administrator of Veterans' Affairs may appear before any authorizing agency and point out and

ask that a particular school be closed. To just write veterans' affairs legislation in an appropriation bill would make the Administrator of Veterans' Affairs a czar and could kill the hopes and aspirations of untold thousands of veterans. When the original GI bill of rights was written, there was a definite commitment that the veteran should be at least partly compensated for the years he had lost from his education which was dedicated to the service of his country and quite often against his will.

I implore you that this part of this bill should be stricken and that legislation as provided by the Veterans' Affairs Committee be enacted.

I ask that you adopt the Stefan amendment when offered.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the balance of my time, 20 minutes, to the gentleman from California [Mr. PHILLIPS].

(Mr. PHILLIPS of California asked and was granted permission to revise and extend his remarks.)

Mr. PHILLIPS of California. Mr. Chairman, I take it that what we have heard is the argument of the War Assets Administration itself. There is nothing more permanent in government than a temporary agency. There is nothing more difficult to get rid of than an agency of Government created for some transitory function. Everyone here knows that.

It is always interesting to me to come on the floor with an appropriation bill and to listen to its discussion. A committee works for weeks and weeks, taking apart every individual item of a bill, asking that the requests be justified, asking that the figures be proven in detail. Then the committee brings the bill to the floor for discussion. It is by that method, and by such questions as have been brought up today, regarding the items in this bill, that legislation is made.

I know no perfect bill. There is one point, which came up today, upon which there is proper question. I think that can be settled either here or in the other body. I do not think it as serious as the gentlemen do who have discussed it.

I have gained out of this session's membership on the Appropriations Committee a definite and real admiration and regard and respect for the men who serve on the Appropriations Committee, and especially for the men who serve as chairmen of the subcommittees. I regard most highly the chairman of the subcommittee which has brought this bill to the floor today. It has been a pleasure to serve with the members on the minority and on the majority sides.

There were things I wanted to discuss.

They were too detailed to include in the report. They are matters which the committee had discussed, and upon which the committee had opinions, but if those opinions had been enlarged upon, in the report of the subcommittee, it would have required an unnecessarily long report.

For example, I refer to the care of patients in the paraplegic wards, referred to by the gentleman from Virginia [Mr. GARY]. The gentleman from Virginia not only brought to the committee the

question of the swimming pool, about which he has already asked the chairman, but he raised the question of the number of attendants to be assigned to a ward, for the care of men who could not care for themselves. Out of that has come not an item in this bill, nor in the report, but an understanding with the Administrator of the Veterans' Administration that henceforth, in listing attendants, in wards of that kind, we will cease the inclusion of men who cut the grass, or who take care of the hospitals and not of the patients, in the list of those who take care of patients.

Such details cannot be put in the report, nor in the bill, but they make the long hearings, and the interest of other Members, like the gentleman from Virginia, very much worth while.

With reference to the Maritime Commission, there was the same situation there. The gentleman from Ohio [Mr. WEICHEL] brought to the subcommittee a very important matter regarding the rebuilding of the ore boats on the Great Lakes. There are something over 300 ore boats operated on the Great Lakes. Most of the production of the iron mines is shipped to the mills in those boats. For a period of from 40 to 50 years there have been few replacements, few rebuildings. It has only been within the last few months that requests have been made for the rebuilding of these boats and it was the feeling of many witnesses, including the gentleman from Ohio, the distinguished chairman of the Committee on Merchant Marine and Fisheries, that the subcommittee should earmark funds for the rebuilding. The committee believed this was an important factor in national defense, but that first of all certain information was necessary, which the committee did not have. We do not know about the ownership of the boats. We do not know whether they could be rebuilt by the firms which own them or whether it would be necessary for the firms to have help from the Maritime Commission. If such help is needed, then we recommend an immediate and decisive opinion from the Maritime Commission.

Mr. WEICHEL. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. WEICHEL. I thank the gentleman for the reference he made to the ore fleet.

Mr. Chairman, there are some 312 cargo vessels that carry the ore that provides 90 percent of the steel production of the United States. The ore to supply these furnaces that make the steel can be carried only by ship, for there are no railroad facilities to carry this tremendous load. The amount of ore that is carried in the 5- to 8-month season each year, dependent on weather conditions, amounts to something like 92,000,000 tons. In addition to this there are about 22,000,000 tons of limestone that go into the making of the steel. Translated into terms of carloads of 100 tons each, this would be something a little less than a million carloads.

In this fleet of 312 ships, there are 40 or 50 over 50 years old. Seventy-five of them are over 40 years old. Only 25 of them are 10 years or less.

It was my purpose to call this to the attention of the committee as a matter of national security. The Maritime Commission should make some provision with reference to the trading in of these ships.

It was my intention therefore to ask of the gentleman from California that the present appropriation which \$100,000,000 plus \$103,000,000—

Mr. PHILLIPS of California. There are approximately \$203,000,000.

Mr. WEICHEL. \$203,000,000. The Maritime Commission can secure all the information upon application. So I was wondering if by direction of the Appropriations Committee the Maritime Commission could give recognition to this and investigate the matter of replacing this fleet, because in time of emergency it is too late.

Mr. PHILLIPS of California. I thank the gentleman. I think his point is well taken and I think he does a favor not merely to the Congress but to the Nation, by bringing this matter to our attention.

There are two other agencies I want to talk about, the War Assets Administration and the Atomic Energy Commission. I shall reach them shortly. There is another Maritime Commission detail already mentioned by the gentleman from Washington [Mr. JACKSON]. The subcommittee generally believes that it is a matter of economy, if boats are needed for national defense or for the eastern trade, to take boats that are partially built, that can be secured for less than the cost of building them today, that can advance the construction by anything from a year and a half to two years in time, and for which there is available in addition some \$7,000,000 worth of property on the ground. I refer to the *Mariposa* and the *Monterey*, partially built and now offered the Commission at less than reproduction costs.

Finally, Mr. Chairman, the matter of smaller boats, brought to the attention of the subcommittee by the distinguished gentleman from California [Mr. BRADLEY]. That is a speedy and economical type of boat, which could be constructed as a trailer and passenger carrier, of 25 knots speed, a boat cheaply and quickly produced, and which could be converted overnight for the transportation of a task force if that became necessary. I thank the gentleman for bringing us that information, and it is my hope that this matter will be given immediate and favorable attention by the Maritime Commission.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from California.

Mr. BRADLEY. I am led to believe then that the subcommittee felt favorably inclined toward the construction of these trailer-carrier ships?

Mr. PHILLIPS of California. That is my feeling, and I believe it represents the feeling of the other members too.

Mr. BRADLEY. I will make a few remarks under the 5-minute rule on that subject.

Mr. SMATHERS. I hope the gentleman will explain the charge against the War Assets Administration.

Mr. PHILLIPS of California. We come now to the disposal of property.

The question is whether you want ever to end a temporary agency set up for the disposal of surplus property. I doubt if many Members of the House realize that the War Assets Administration has been continuously fed with additional surplus property, often not property which had anything to do with the war. Furniture or fixtures of a government agency, or surplus items of any kind, which might have had no connection with the war, little by little have been fed into the War Assets Administration. It is necessary for this House to take positive action if we are to end the temporary agency we know as the War Assets Administration.

In spite of the fears certain gentlemen have expressed on the floor, the Appropriations Committee did not seize upon an idea and arbitrarily write it into a bill. It was obvious from the hearings, first, that a final date had to be set, not only from the standpoint of the Congress, but from the standpoint of the agency itself, because the testimony, and private conversations with the executives, showed that WAA was losing valuable men from the agency due to the fact that the agency was approaching the end of its life. That being the case, the committee inquired of the legislative committee, as it properly should, what the intention of the committee was. We were told by the chairman of the legislative committee and by the chairman of the subcommittee investigating property disposal, that these gentlemen were in agreement with the fact that a time limit should be set upon the agency and that they would support such an amendment in the appropriation bill.

So you have before the Congress the question. Do you wish to end this temporary agency at any time or do you wish to perpetuate an agency which has not proven entirely economical nor entirely satisfactory?

The committee gave the real property to the RFC for disposal; all real property and all things that have to do with real property. Why did we take the Reconstruction Finance Corporation? Out of the sky? No. The property still in the hands of the War Assets Administration on August 31 of this year will be almost entirely large properties, which will be difficult to dispose of by any agency and very difficult to dispose of by the War Assets Administration. Many of these properties were built by the Reconstruction Finance Corporation. Many of them will have to be rebuilt or redesigned. Money will be needed. Further, under what is known as the push-button requirement of the Government at the present time—which is familiar to my friend from California—the Government now requires that some of those larger industrial plants be kept in condition where on 90 days' notice they can be returned to war production.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman has given us a lot of conversation. The gentleman has said we should eliminate the agency.

Mr. PHILLIPS of California. That is correct.

Mr. HOLIFIELD. But the work has not been done. The work of disposal is far from being done. I am not arguing that the agency should not be eliminated when the job is done, but they have a sales organization, and RFC has a lending organization, and they are specializing, and have added to the Government \$380,000,000 in the last year.

Mr. PHILLIPS of California. I understand the gentleman's question. The answer is this, that the committee believes, and I think the House will concur, that if you want economic administration, and prompt disposal of this property, you will place it in the hands of the Reconstruction Finance Corporation. Certainly, the House thought that at one time, because it was in the hands of the Reconstruction Finance Corporation. The subcommittee chose the RFC now because the Reconstruction Finance Corporation has respect as an agency of Government.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was interested in the observations made by the gentleman, that the chairman of the full committee on expenditures and the chairman of the subcommittee were agreeable to this action being taken. Did I hear the gentleman correctly?

Mr. PHILLIPS of California. The full committee?

Mr. McCORMACK. Yes.

Mr. PHILLIPS of California. We discussed it with the chairman of the full committee, and with the chairman of the subcommittee.

Mr. McCORMACK. The chairman of the full committee is the gentleman from Michigan [Mr. HOFFMAN].

Mr. PHILLIPS of California. That is correct.

Mr. McCORMACK. And he was agreeable to this being done?

Mr. PHILLIPS of California. That is correct, and the chairman of the subcommittee is the gentleman from Oklahoma.

Mr. McCORMACK. Mr. RIZLEY.

Mr. PHILLIPS of California. Yes.

Mr. McCORMACK. They were agreeable to this being done?

Mr. PHILLIPS of California. Yes.

Mr. McCORMACK. That is most interesting to me.

Mr. PHILLIPS of California. I thought it would be.

Mr. McCORMACK. I am sure it is.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Florida.

Mr. SMATHERS. I am interested in knowing how the committee arrived at the conclusion that the War Assets Administration, which has dealt with this property for 2 years, and has a sales force, could not dispose of it better than the RFC, which has no sales force.

Mr. PHILLIPS of California. If the gentleman will read the bill, he will see that it is possible for the RFC, if it so desires, to take over any part of the sales force which it may deem necessary in disposing of what is left on the 31st of August, remembering only that at that

time there would be left largely plants which are difficult to dispose of, and which would require the help of some agency like the RFC.

Mr. SMATHERS. In other words, perhaps the RFC should take over all the personnel of the War Assets Administration and do the same job that the War Assets Administration is doing now.

Mr. PHILLIPS of California. I am sure they will do it a lot more economically, a lot quicker, and more expeditiously, and I am sure, as I know the gentleman is, that they will not need so much personnel to do it.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. Let me ask the gentleman from California if it was not the opinion and the thought of the subcommittee handling this matter that the President some months ago sent a message to Congress recommending to the Congress some legislation winding up War Assets immediately?

Mr. PHILLIPS of California. The difference between the President of the United States and the subcommittee is that the President of the United States recommended that WAA be wound up on June 30, and the subcommittee recommends that it be wound up on August 31.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield further, did the gentleman have the bill recommended by the President as of August 1?

Mr. PHILLIPS of California. It is a rather complicated bill. The principal difference is that it puts the property, for example, in the Federal Works Administration, and this bill puts it in the RFC. I do not think the point is as important as the gentleman would make it. I think the general feeling is that the Reconstruction Finance Corporation is better equipped than an agency equipped only to rent office buildings and handle small property.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from North Carolina.

Mr. DEANE. Is it true that all this property transferred to the Reconstruction Finance Corporation will be subject to taxation?

Mr. PHILLIPS of California. I am not sure. What may interest the gentleman is that the counsel of the Reconstruction Finance Corporation, with whom we discussed that point before bringing the bill to the floor, is not sure. If the counsel thinks it is, then we have two things to decide. First, I am not sure it would not be a good idea, because War Assets Administration has already spent money in lieu of taxes, believing that school districts and counties should not be deprived of their incomes. WAA has spent that in the past, and RFC probably should spend it in the future. If there is a point involved, then we may have to add whatever we need next year for that purpose.

Mr. DEANE. Is the gentleman prepared to state the value of the property that would be transferred?

Mr. PHILLIPS of California. Two billion eight hundred million dollars as of now, less what has been disposed of, by August 31, and some of it was disposed of today. This includes realty of all kinds, but not personal property.

The gentleman from California, to whom I yielded, was in error about the amount of aircraft. It is about \$890,000,000.

Mr. HOLIFIELD. It is about \$1,000,000,000?

Mr. PHILLIPS of California. Yes. Close to that figure.

Mr. HOLIFIELD. And it will have to be sold as scrap?

Mr. PHILLIPS of California. No; not under this bill.

Mr. HOLIFIELD. The Air Force has no right to sell any of its surplus property except as scrap or salvage.

Mr. PHILLIPS of California. As I said before, the gentleman probably has not had time to read the bill carefully. The property is turned over to the Air Force under the terms of the existing act until it is disposed of. It could thus be sold as scrap, in my opinion. The point is worth looking into. I do not agree with the gentleman from California; but if the gentleman is right, then this ought to be corrected in the Senate.

There are two minor matters that I want to cover before I surrender the floor. During the hearings, representatives of the American Institute of Architects appeared before the subcommittee, asking that some provision be put into the bill, saying that no part of the money appropriated to the Veterans' Administration could be used in competition with the private practice of architecture. I use almost their exact words. The gentleman from Illinois [Mr. CHURCH] also brought this matter repeatedly to the attention of the subcommittee. Speaking for myself, and feeling that this is also the opinion of the majority of the subcommittee, I want to say that I support the idea that all work possible should be done for Veterans' Administration programs by private architects, but that I am not convinced that such a limitation either could or should be written into the bill. Some of this work must be done by the VA's own staff, and undoubtedly will always be done there. It may be said that the subcommittee does want all the work possible done by private architects, if we are to preserve the features of our form of government, and that the Administrator will be questioned on this point in future budget hearings.

Finally, and very briefly, I do not want any misunderstanding concerning the attitude of this subcommittee, as we discuss the appropriation for the Atomic Energy Commission. I am sure there is no misunderstanding. This Congress and this subcommittee wants that Commission to have all the money needed for experimental work, and for the production of the atomic bomb. I believe, strange as this statement may seem, that this is an agent for peace, until the world again approaches sanity. We also want the Commission to have money for medical, biological and agricultural research. But, like you, we want the Commission to impose on itself the same

economy and the same efficiency that should be required of any agency spending the money of the American taxpayers. We do not like blank checks, and we do not like to find costs, where we can make reasonable comparisons, to be higher in the accounts of the AEC than in other agencies, or other businesses.

We also have tried to impress on the Commission that the Congress is in session more than half of each year. This appropriation is for the fiscal year 1949, from July 1, 1948, to June 30, 1949, yet Congress will be in session again, at the latest, January 3, 1949. The slight reduction in the appropriation request, made by this subcommittee, need not affect the work on the bomb, nor in the other fields I mentioned. It may encourage some slight economy in the house-keeping of the Commission, and in construction and maintenance costs, in its several communities. It may amuse you, Mr. Chairman, to have me conclude these comments with a little poem, on this subject, which I contrived, as I listened to the testimony of the Atomic Energy Commission. I have called it an Ode to the Appropriations Committee by the AEC, and I give full credit for the idea in the two first lines to one of the committee's investigators. I will have to take the responsibility for the other lines.

The word "Uranium" means the "sky,"
That's why our budget is so high;
For when we work with things atomic,
We never could be economic;
We deal with matters scientific
(Don't ask us to be too specific);
Mesons, protons, neutrons, fission;
Are just shop talk, not erudition;
Our testimony's vague, but calm,
Your job's the budget; ours, the bomb;
We walk on clouds (of radiation),
You save the cash; we'll save the Nation.

Mr. THOMAS of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I am very much interested in the paraplegic veterans in my district. There are about 1,400 paraplegics in the United States. These boys made the greatest sacrifice possible for their country. They are paralyzed, many of them, from the waist down. Some of them are quadruplegics, with both their legs and arms paralyzed so that they cannot serve themselves.

There are two matters touching these veterans that I desire to present to you. One is the question of proper attendants in the hospitals. At McGuire Hospital, the veterans' hospital in my district, located at Richmond, Va., we have 8 wards for paraplegics, and we have there 137 actively on the hospital rolls about 170 in all that receive their treatments at the hospital. These men in my judgment should have every care that this Nation can provide for them, because of the great sacrifices they made for the country during the war.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. HINSHAW. I am interested to know that the gentleman has a hospital containing that type of patients in his district. I likewise have one in mine,

with an equal number, about 280 altogether, either in-patients or out-patients. I am deeply interested in their welfare.

Mr. GARY. I realize that the situation that has arisen is an administrative problem. I am not offering any amendment to this bill today because of the assurances that have been given me by the members of the subcommittee of their interest in this problem and their belief that it can be worked out by the Veterans' Administration. I too believe that it can.

I think these men by all means should have an indoor swimming pool. I have here the testimony of Dr. Magnuson, in which he said:

Swimming is of great therapeutic aid. I have requested some things around these hospitals. Construction, apparently, is all appropriated for specifically and pretty well defined.

They have a swimming pool up at the Bronx, which is a therapeutic swimming pool donated by the people. It cost about \$250,000. The pool ought to be put indoors so we can use it in the winter. It is a great therapeutic help as well as a recreational one.

I said that I did not think we should look to the public to erect these pools by voluntary contributions. It should be done by the Government. These boys should not be objects of charity. To that Dr. Magnuson replied, "I agree with you." I hope these problems can be worked out by the Veterans' Administration.

Mr. THOMAS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, I am very much concerned over the language used on page 14 in relation to the educational training under title 2 of the Servicemen's Readjustment Act. The limitation seems to me to be very far-reaching, and to give absolute authority to General Gray to determine what is avocational or recreational in character. Like other Members, I was concerned about the flight training and while I appreciate the objective that the committee has in mind, I am fearful that the delegation of power, which is extraordinary, could be very easily abused. Certainly it is a delegation almost without any limitation. I appreciate the fact that the subcommittee has in mind the elimination of unnecessary so-called training at the expense of the Government and the taxpayers, and I agree with the subcommittee in that respect. But that does not remove from my mind the disturbed feeling that I have as a result of the very general language and the broad delegation of power given to General Gray in the proviso or limitation on page 14 of the bill.

I wish I could have the confidence in General Gray that my friend from Massachusetts [Mr. WIGGLESWORTH] has. As he knows, we have a situation in Boston where the head of the Boston branch office made some very intolerant and bigoted statements which have been investigated. The evidence has been com-

pletely obtained and was turned over to General Gray, at least 3 months ago by the gentlewoman from Massachusetts [Mrs. ROGERS] and myself. I was with her at the time. General Gray certainly has had plenty of time to act. I am very much concerned over this indecision, but it seems to me his honeymoon is about over, and that we ought to get some decision from him in connection with the administration of his office.

In relation to the observations I have just made, I want to say they are not personal with reference to General Gray. I want to have confidence in him. I want to have complete confidence in him and to respect him officially as I do as an individual. I want to respect him as an official, but I want to see a decision made. I do not want this vagueness and indefiniteness and this holding off and holding off. You and I have to make our decisions. We cannot put them off day after day. We have to make a decision on this bill today. I am very much disturbed about some of the indecision, and I hope now that his honeymoon is over, he will show that he is a man of decision in the administration of this agency of Government, just as he has been in other responsible positions that he has occupied.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. VAN ZANDT. I agree with the statement of the gentleman about General Gray, but, at the moment, who determines whether a course is avocational or recreational in character? At the moment, under existing authority, who determines that?

Mr. McCORMACK. I think on the State level there is considerable authority, and this violates this great principle of State's rights which we fought for and which my Republican friends have so strongly advocated, and which is being abdicated in this bill.

All time has expired.

The Clerk will read.

The Clerk read as follows:

HOUSING EXPEDITER

Salaries and expenses, Office of the Housing Expediter: For expenses necessary to carry out the functions of the Office of the Housing Expediter, including personal services in the District of Columbia; attendance at meetings of organizations concerned with rent control; hire of passenger motor vehicles; printing and binding; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$5,000 for payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); and health service program as authorized by law (5 U. S. C. 150); \$15,172,100: *Provided*, That the foregoing amounts may be obligated during the period ending March 31, 1949: *Provided further*, That any employee of the Office of the Housing Expediter is authorized and empowered, when designated for the purpose by the Housing Expediter, to administer to or take from any person an oath, affirmation, or affidavit when such instrument is required in connection with the performance of the functions or activities of the Housing Expediter.

Mr. JAVITS. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 4, line 25, strike out "\$15,172,100" and insert "\$16,367,100."

Mr. JAVITS. Mr. Chairman, I offered this amendment to this particular section not to restore the full amount of the budget estimate, which was \$20,500,000, but, based upon assurances of the chairman of the subcommittee, the gentleman from Massachusetts [Mr. WIGGLESWORTH], to restore only the amount which was cut for additional positions sought to be created in the office of the Housing Expediter to deal with his problems in national, regional, and area rent-control offices.

It will be noted from the committee's report at page 4 that the sum of \$4,132,900 was included in the budget estimates in order to take care of liquidation expenses, assuming that the office might be liquidated after April 1, 1949. The gentleman from Massachusetts [Mr. WIGGLESWORTH] in response to my question in the general debate, has assured us that that amount will not have to be absorbed by the agency and be deducted from the appropriation for operations in the period up to March 31, 1949, with a resulting impairment of its work. That still leaves the sum of \$1,195,000 which has come off the budget estimates, for employees, and the committee will note in the second paragraph of the committee's report, "Funds for an additional 244 positions have been denied the Office of the Housing Expediter."

I come from a city district where rent control is of critical importance to the people in the area. The people are deeply concerned that rent-control administration shall not be impaired. I would like to point out to the Members of the House that with all the talk that has been going on about a big building program—and between 900,000 and 1,000,000 new units we expected to be built in the year 1948—the figures show that rental housing will constitute only about 15 percent of that total, whereas normally rental housing runs somewhere around one-third or more of new construction. Hence the housing shortage for moderate-income families who must rent, is still very much with us and is likely to continue to be for some time. People in my district are complaining bitterly about rent increases due to alleged hardship, which are granted landlords, they claim, without complete justification in the petitions and also failure of the Housing Expediter's office to give adequate service on complaints of tenants whose apartments are not being maintained, by painting and decoration and otherwise, even in accordance with the requirements on landlords of the Housing Expediter's office. Hence I ask the committee to support this amendment. The amount being spent for rent-control administration is not very great, considered country-wide. The whole staffing of the Housing Expediter's office is what counts. Considering all the jobs he has to do, if he does not have the help, his functions, including rent control, are bound to show the effects. It is well worth an additional million dollars

in order to protect 16,000,000 tenants who live in rented accommodations in the United States.

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILLIPS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from New York probably does not realize the exact situation. I read to him from the report, on page 4, if he will turn to that page. The committee specifically says this:

No reduction has been made in the personnel requested for the operation of rent control.

The committee also states that this is for the 9 months' period requested by the Housing Expediter, and that it has nothing to do with rentals, of which the gentleman has already been assured.

The Housing Expediter had 44 people on the pay roll, doing this work, on April 1. In a deficiency appropriation, the agency was given funds to employ 314 more people; thus it has authority at the present time for 358 people in the bill now before the House, but it has only been able to fill, up to the present time, 60 positions. There are presently 298 unfilled positions in the Housing Expediter's office.

My feeling is that the gentleman from New York probably was not fully aware of the amount authorized and appropriated in the Deficiency Appropriation bill which recently went into effect.

Mr. JAVITS. How recently was that, may I ask the gentleman from California?

Mr. PHILLIPS of California. That was on May 10.

Mr. JAVITS. May I ask the gentleman whether the funds for the additional 244 positions, which have been denied, include any with respect to rent control?

Mr. PHILLIPS of California. No; none at all.

Mr. JAVITS. Those are all, then, for the supervision of the veterans' housing program?

Mr. PHILLIPS of California. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

The United States Maritime Commission shall not incur any obligations during the fiscal year 1949 from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this act: *Provided*, That nothing contained herein and in the Independent Offices Appropriation Act, 1948, shall be construed to affect the authority of the Commission pursuant to the provisions of section 603 (a) of the Merchant Marine Act, 1936, as amended, (1)

to grant operating differential subsidies on a long-term basis and (2) to obligate the United States to make future payments in accordance with the terms of such operating-differential subsidy contracts, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That hereafter the Commission may make allowances to purchasers of vessels for cost of putting such vessels in class, such allowances to be determined on the basis of competitive bids, without regard to the provisions of the last paragraph of section 3 (d) of the Merchant Ship Sales Act of 1946.

Mr. BRADLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while I should like to make several complimentary remarks about the work of this subcommittee, the time allowed is just enough for me to commend the efforts of the Subcommittee on Appropriations to restore our coastwise commerce.

Practically all of the older people of this House can recall the days when we had an ample coastwise commerce, when it was possible to take trips up and down either coast and to get a short seagoing trip in that way. Those ships have completely disappeared. There is not a single ship now under the American flag operating in general coastwise commerce for either passengers or freight on either coast. There may be one or two lumber schooners on the west coast, that is all.

We have realized it is necessary to do something extreme to get this coastwise commerce back. As the charges for handling freight across the docks, the wharfage, the stevedoring, and matters incidental thereto have pushed rates up, coastwise ships cannot compete with trucks and certain other types of transportation.

The Pacific Coast Steamship Co. has, therefore, brought out proposals for two trailer-carrying ships—ships making 25 knots, each carrying 186 30-foot trucks and 348 passengers, which it wishes to construct for the run from Long Beach-Los Angeles harbor to San Francisco. Between those two ports we will have a tremendous traffic, because the Los Angeles area alone will exceed 4,000,000 by this fall and the Bay region will exceed two and a half million, I believe.

Mr. Chairman, no money is asked as a subsidy for these ships, not one single cent of gift from the Government. The present law authorizes the Government to lend 87½ percent for the construction of new ships at the discretion of the Maritime Commission, to be repaid in full with interest in some 20 years. I am glad to know that the subcommittee has made enough money available in this bill to cover commencing construction of these ships for service on the west coast. If this service should be successful it will undoubtedly extend and expand to both coasts. You will have ships operating again from Boston to Hampton Roads, from New York south, and between other ports on both coasts, whereas now you have absolutely none.

The Maritime Commission is in favor of the construction of these ships. The Navy Department is in favor of the con-

struction of these ships. They will be very valuable auxiliaries in the event of war.

Here is one case in which the Government can do something toward reestablishing essential coastwise steamship service without having it cost the United States Government one single dollar. The Government will recover all that it advances with interest. I think this is a very peculiar and a very refreshing condition as we find an opportunity to do something beneficial without having it cost a lot of money to the Federal Government.

Mr. Chairman, I appreciate very much the efforts of the committee in putting these funds in the bill and I hope the Maritime Commission will see fit to utilize a part of them for commencing construction of these two coastwise ships immediately.

[From the New York (N. Y.) Herald Tribune of March 14, 1948]

LOAN SOUGHT FOR NEW SHIPS ON PACIFIC RUN—
H. F. ALEXANDER ASKS UNITED STATES FOR
\$20,000,000 FOR TWO NIGHT COASTWISE
VESSELS

(By Walter Hamshar)

H. F. Alexander, president of the Pacific Coast Steamship Co., disclosed yesterday that he has applied to the Maritime Commission for a loan to construct two 18,000-ton ships specially designed to carry passengers, trucks, and trailers, and automobiles in an overnight service between San Francisco and Los Angeles.

The 25-knot vessels, which Mr. Alexander expects will set the pattern for future passenger carriers in coastwise service, will be started this year if Congress makes the funds available. Their construction is estimated at \$20,000,000, Mr. Alexander said.

Under the Merchant Marine Act of 1936 there are no provisions for construction subsidies for domestic vessels but the commission may lend up to 87½ percent under a 21-year amortization plan. The 1948-49 Maritime Commission budget request, however, carries only \$15,000,000 for all new construction so that other funds would have to be appropriated.

Plans for the vessels have been completed at a cost of \$250,000 and submitted to the commission and to the Navy with enthusiastic reaction from both groups, Mr. Alexander reported.

Plans also have been drawn for a \$2,000,000 municipally constructed terminal in Long Beach, Calif., and work will begin on it as soon as the two vessels are under construction. Completion of the vessels is estimated to take about one and a half years.

The Burlington Railroad was reported interested in running its new streamline trains to the San Francisco steamship terminal so that passengers can make the overnight sea trip to Los Angeles.

If Congress were to act on the phase of the report by President Truman's Merchant Marine Committee, recommending a 50-percent subsidy for American passenger ship construction, Mr. Alexander said that this company might then be in a position to construct similar vessels for the coastal run between San Francisco and Seattle.

The outstanding feature of Mr. Alexander's projected ships is the provision for carrying 186 30-foot trucks or truck-trailers in garage-like main and upper decks and 46 passenger automobile in a lower deck. The ships will have luxurious accommodations for 348 passengers, all rooms with connecting bath, and there will be 30 de luxe suites. Public rooms will include a dining salon

seating 228 and a night club and bar with a capacity of 154.

By loading and unloading from the stern, the ships can discharge their mobile cargo in a matter of minutes, instead of hours, Mr. Alexander pointed out. He added that the trip by ship will be a saving for truck companies operating all night over-the-road service. Seventy California trucking companies have endorsed the plan and, Mr. Alexander said, its workability has been proven by the Trailerships, Inc., New York-Albany service in converted landing ship tanks that was started last year as a guinea pig for the bigger venture. Mr. Alexander is chairman of the board of Trailerships.

In the event of a war the speedy vessels could be used immediately as carriers of tanks and other equipment and the tank crews could take over passenger quarters. The more than twenty-five knots speed of the 36,000-horsepower geared-steam turbines would assure protection from submarine attack.

The general characteristics of the vessels are 563 feet in length; breadth 90 feet, depth 36 feet; gross tonnage, 17,940; dead weight, 5,300 tons; double bottom; twin screw.

Mr. Alexander proposes that the vessels will sail from each of the terminals at 6 p. m., arriving at their destinations 364 nautical miles away at 9 a. m. Proposed fares would be \$14 a person one way including berths; automobiles, \$14 one way, and trailer and truck rates, \$2.50 a linear foot.

Mr. Alexander operated one of the most popular steamship services on the Pacific coast, covering ports between Seattle and Los Angeles with the *H. F. Alexander*, one of the most palatial steamships ever constructed. The service folded in the 1930's.

[From the San Francisco (Calif.) Call-Bulletin of June 1, 1948]

ALEXANDER'S PLAN—PROGRAM TO REVIVE COASTWISE PASSENGER TRADE NEEDS GOVERNMENT COOPERATION

A hopeful portent for Pacific coast shipping can be seen in the recent announcements of H. F. Alexander, whose vessels occupied a prominent place in the maritime trade here in years gone by.

Alexander has plans for bringing back to life the old coastwise passenger trade, so familiar to San Franciscans who can hark back to those "good old days" of the runs between here and Los Angeles.

Already, he has on file with the Maritime Commission a request for a loan to assist in getting under way a project for construction of two fast, modern, 18,000-ton liners which would serve this port, Los Angeles, San Diego, and possibly Seattle.

Development of these schedules, he pointed out, would be contingent upon a 50-percent subsidy from the Government, to tide the operators over the rough spots necessarily involved in such an ambitious program as this.

Congress and the Maritime Commission would do well to look with favor upon the project, not only in the interests of the American shipping industry which, to date, is lagging behind the operations of foreign lines which enjoy subsidies from their own governments, but also in the interests of national defense.

It should be noted that these foreign governments which can and do aid the competitors of American operators are the very ones, in many instances, which have their hands out across the sea in supplication for American aid, ala the Marshall plan.

Thus we are, in effect, subsidizing foreign lines, with the aid of the American taxpayer.

Why not subsidize our own?

Restoration of coastwise operations along the lines which Alexander envisions would be a wholesome thing for the port of San

Francisco and for west-coast business generally.

And as for the value of such operations to the defense of the Nation, we need look no further than the war record of such a vessel as the old *H. F. Alexander*, which, during World War I, left the coast to go into operation as a troop transport between Atlantic ports and France as the steamship *Great Northern*. On more than one occasion she is reported to have bettered the time of the famed *Leviathan*, then considered as pretty close to the last word in transoceanic travel.

Here is one instance of how American shipping has served the Nation in time of war; there are many others, in both world wars.

In the Second World War, unfortunately and almost disastrously, American shipping was forced to overcome the handicap of years of neglect between wars.

Similarly to neglect the American merchant marine now would be to impair the domestic economy and to invite the crises which follow upon such a manifest national weakness as a feeble merchant marine.

Hemming and hawing and trimming and compromising should have no place in our treatment of the American merchant marine. The case of Alexander is but one illustration of what American shipping is ready to do if it can get a halfway decent break from the American Government.

BOARD OF HARBOR COMMISSIONERS,
Long Beach, Calif., April 14, 1948.

Mr. H. F. ALEXANDER,
President, Pacific Coast Steamship Co.,
Washington, D. C.

DEAR MR. ALEXANDER: You are authorized to present this letter to Federal authorities who are now concerned with Federal loan with which to build the two steamships proposed by your corporation to operate between Long Beach and San Francisco for passengers, trucks, trailers, and automobiles.

The board of harbor commissioners of the city of Long Beach believes that this proposed service is in the public's interest and will serve a great public convenience and necessity. We are solidly behind the inauguration of this service and bespeak for it great success.

Evidencing our earnestness, we are already on record before the Public Utilities Commission of California that we will develop and make available to our Long Beach harbor terminal facilities which may cost us as much as \$2,000,000.

Yours truly,
BOARD OF HARBOR COMMISSIONERS,
By W. R. MARTIN, President.

The CHAIRMAN. The time of the gentleman from California has expired.

(Mr. BRADLEY asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

Readjustment benefits: For the payment of benefits to or on behalf of veterans as authorized by titles II, III, and V, of the Servicemen's Readjustment Act of 1944, \$1,979,027,000, to be immediately available and to remain available until expended: *Provided*, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character.

Mr. STEFAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: Page 14, line 17, after the period, insert the fol-

lowing: "For the purpose of this proviso training for the purpose of teaching a veteran to fly in connection with his business or occupation shall not be considered avocational or recreational."

Mr. STEFAN. Mr. Chairman, I offer this amendment in order to save the GI flight training and all of the legitimate benefits our veterans are entitled to in the veteran benefit laws that we passed. I have already had something to say about the flight training program at the outset of the debate on this appropriation bill. That makes it unnecessary for me to debate the merits of the program at this time. I merely wish to explain my amendment. I am sure the distinguished chairman of the committee the gentleman from Massachusetts, Hon. RICHARD WIGGLESWORTH, and members of his committee will or should accept this amendment when they give it full consideration. I know of Mr. WIGGLESWORTH's great service to our Nation in time of need and also of his great interest in the welfare of all of our veterans. He has told me personally that he is not opposed to legitimate flight training and he does not feel the bill as it reads would stop that activity. However, I feel that my amendment would be a safeguard. It would save the GI flight training program and make unnecessary the possible closing of many small airports over our country which would undoubtedly have to close if those in charge of the program carried out the instructions in the bill as now written. I need not tell you of my deep interest in civilian aviation. And I need not repeat what a great contribution was made by the civilian pilot training toward winning of the recent war. The bill states that no part of these funds can be used for any course which the Administrator decides is "avocational" or "recreational." This is aimed at certain recreational activities which we all feel should be eliminated but I fear it also would affect GI flight training. My amendment merely states that the administration shall not consider as "avocational" or "recreational" the teaching of veterans how to fly. It simply saves the GI flight training program but does not bind the hands of the Administrator in stopping the payment of taxpayers' money to teach ballroom dancing and some other activities which do not help the veteran and which the veterans themselves oppose.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I will say to the gentleman that as far as I am concerned, and I think I speak for the subcommittee, I am prepared to accept the amendment.

Mr. STEFAN. I thank the chairman for accepting my amendment.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Arkansas.

Mr. CRAVENS. The gentleman's amendment would allow flight training at prescribed schools for those having a legitimate reason.

Mr. STEFAN. Without this amendment it could be possible to close many of the legitimate flight-training schools of the country.

Mr. CRAVENS. And this sets up procedure whether it is actual training or just joy riding?

Mr. STEFAN. Yes.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Nebraska.

Mr. CURTIS. Will the gentleman's amendment make it possible for doctors and ranchers and others who want to learn to fly in connection with their business or occupation to do so?

Mr. STEFAN. Yes. I want to say in fairness to the chairman of the subcommittee, the gentleman from Massachusetts [Mr. WIGGLESWORTH], that he is absolutely opposed to the playground part of it, but that he never intended to eliminate legitimate training.

Mr. WIGGLESWORTH. Mr. Chairman, if the gentleman will yield, that goes for the entire subcommittee, I will say to the gentleman.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Ohio.

Mr. ELSTON. I will say to the gentleman that in some States, like in the State of Ohio, they have appropriated millions of dollars to carry on these flight-training programs.

Mr. STEFAN. That is right.

Mr. ELSTON. And if the gentleman's amendment is adopted, it will permit the State-supported schools to go ahead with this program?

Mr. STEFAN. Yes.

Mr. SCRIVNER. Mr. Chairman, if the gentleman will yield, would the gentleman mind reading that amendment again so that we will get the full import of it?

Mr. ROSS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New York.

Mr. ROSS. Will the gentleman explain the amendment?

Mr. STEFAN. The amendment merely precludes a veteran who is learning how to fly from the provision which mentions the words "avocational" and "recreational." It saves the GI flight program.

Mr. ROSS. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. STEFAN].

Mr. ROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the gentleman who has offered the amendment who is to determine finally whether the course in flight training is for occupational or educational purposes?

Mr. STEFAN. The amendment is explanatory. The committee and the Congress give this directive to General

Gray, the Administrator who will administer this entire program. He is the one who will determine. In the debate the gentleman has perhaps heard it indicated that the States also will have something to do with that in consultation with General Gray, the Administrator of Veterans' Affairs.

Mr. ROSS. I still cannot get clear who is going to make the final determination.

Mr. STEFAN. General Gray, the Administrator of Veterans' Affairs.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope I can have the attention of those particularly interested in this amendment. I have heard it said that the amendment has been adopted. The amendment has not been adopted. I take this time in the hope that we can give further thought to the language of the amendment. As I recall from hearing it read at the desk, it refers to the veteran's business or occupation. In other words, he can take flight training in connection with his business or occupation. I do not think that is the goal we want to reach. The veteran taking training has no business, he is a student. He is taking training for something he might do or will do after he graduates. I do not think the language carries out the purpose of the gentleman who has offered the amendment. I think we have to be very careful to spell it out correctly, because any Member of the House who listened to the testimony of the representatives of the Veterans' Administration who appeared before a subcommittee of the Committee on Expenditures in the Executive Departments and the Committee on Veterans' Affairs cannot help but come to a realization that the Veterans' Administration as now set up is definitely opposed to any kind of flight training. Unless this is tied down and it is made absolutely clear that we mean to permit these veterans who are legally entitled to training, when it is a recognized course of training, I am afraid we will not accomplish our purpose.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. This has been a very important element in connection with national defense.

Mr. MILLER of Connecticut. It certainly has.

I think we must stop and realize that men may be taking training and education for future work as ranch managers or farm managers, and the flying of light planes is very helpful and very beneficial to them in their later work, but that is not their business or occupation as of today, and the language proposed will not help those men particularly in view of the fact that the Administration has so clearly indicated its opposition to the program.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Ohio.

Mr. ELSTON. Since legislative intent will largely govern the matter, does not the gentleman feel that the language

of the amendment that was just adopted is a clear directive to the Veterans' Administration that Congress approves of flight training?

Mr. MILLER of Connecticut. It should be. I do not think there can be any question but that under the law now we have said that the Veterans' Administration should not interfere with the course or curriculum at a college. Yet they are doing it. They are doing it in connection with flight training. They are doing it at the University of Chicago. When they say that a man cannot have flight training as an elective subject they are interfering with the course and the curriculum at that university, and they are doing it against the law at the present time.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Nebraska.

Mr. CURTIS. My understanding of the amendment adopted is that if a veteran applies for flight training under the GI bill of rights because he wants to use it in the occupation or business he expects to follow, it is assumed that it is covered. If he wants to fly just for fun, it is not. Should not the amendment read instead of "for his business or occupation," "for the business or occupation for which he is training" to cover the situation where a man has no occupation or business, but he is training for one? If it would be in order to offer an amendment to the amendment offered by the gentleman from Nebraska [Mr. STEFAN], I would suggest that the language be changed so that it applies to the business or occupation for which the veteran is training and not for his present business or occupation.

Mr. ROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROSS. Mr. Chairman, may I inquire if the amendment submitted by the gentleman from Nebraska [Mr. STEFAN] has been adopted?

The CHAIRMAN. It has not.

Mr. WIGGLESWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WIGGLESWORTH. Mr. Chairman, I was under the impression that the Chair announced that in the absence of any objection, the amendment was agreed to.

The CHAIRMAN. The Chair was about to make that announcement, but the gentleman from Nebraska [Mr. STEFAN] still claimed his time so the Chair did not complete the statement. The amendment, therefore, is still pending.

Mr. STEFAN. Mr. Chairman, I accept that amendment to my amendment.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MILLER of Connecticut. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. KEATING. May I suggest that the gentleman's intention would be carried out by adding after the word "occupation" the words "in which he is now engaged or for which he is training." I suggest that might effect the gentleman's purpose.

Mr. MILLER of Connecticut. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Nebraska, Mr. STEFAN, be so modified and ask that the amendment as modified be read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Connecticut to the amendment offered by Mr. STEFAN: After the word "occupation" in Mr. STEFAN's amendment insert the following: "in which he is now engaged or for which he is training."

Mr. MILLER of Connecticut. Mr. Chairman, if I may say so, I think that covers the situation.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. STEFAN. Mr. Chairman, with the permission of the chairman of the committee, I accept that amendment.

Mr. WIGGLESWORTH. Mr. Chairman, I have no objection to the amendment as modified.

Mr. MILLER of Connecticut. Mr. Chairman, since the chairman of the committee accepts the amendment, I yield back the balance of my time.

EXPLANATION OF THE BILL

Mrs. ROGERS of Massachusetts. Mr. Chairman, the bill provides that when the Administrator of Veterans' Affairs believes that any educational institution, previously certified by an appropriate State agency, is not furnishing education or training commensurate with tuition charges, he shall file a written complaint with the State agency setting forth the reasons for his belief. Copy of the complaint is to be sent to the institution by registered mail, and thereafter the appropriate State agency shall set a date and place for a public hearing on the Administrator's complaint.

The State agency will conduct the hearing and serve one copy of its findings on each, the Administrator and the institution concerned. If the complaint is found to be justified the approval of the State agency of the institution in question must be withdrawn unless within 30 days from the date when such findings are mailed to the institution, the institution shall submit a proposal satisfactory to the State agency for the adjustment of its rates or the method or quality of training. The State agency shall fix a 30-day limit within which such adjustment shall be made or its approval withdrawn. On the other hand, if the State agency finds that the Administrator's complaint has not been sustained, the findings of the State agency as to the fairness and reasonableness

of the tuition charges shall be conclusive upon the Administrator, and the Administrator shall report the decision forthwith to the Congress. It is provided that the hearing shall be conducted under rules established by the State agency.

ESTIMATE OF COST

The bill provides that a verbatim record of all such hearings shall be made, one copy to be supplied to the State agency and one copy to the Administrator, and the Administrator shall pay the cost of both such copies. The States would probably urge that further provision be made for defraying the cost of personnel and other expenses incident to the new procedure provided in the bill. However, no fixed estimate of cost can be furnished.

The report of the Administrator of Veterans' Affairs on this bill follows:

VETERANS' ADMINISTRATION,
Washington 25, D. C., May 4, 1948.
Hon. EDITH NOURSE ROGERS,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: This is in further reply to your letter of April 1, 1948, requesting a report by the Veterans' Administration on H. R. 6079, Eightieth Congress, a bill establishing a procedure by which the Administrator may assure veterans full educational and training opportunities commensurate with the tuition charges by educational and training institutions, and for other purposes.

The purpose of the bill is to provide a procedure under which the reasonableness and fairness of tuition charges by educational or training institutions for education or training under the Servicemen's Readjustment Act of 1944, as amended, would be determined, in certain cases, by the appropriate State agency, whose determination would be binding on the Veterans' Administration.

The accomplishment of this apparent purpose would be sought by amending paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, by adding thereto the following:

"(b) In the event the Administrator has reason to believe that any educational or training institution heretofore certified by an appropriate State agency is not furnishing education or training under this part commensurate with tuition which it charges, the Administrator shall file a written complaint with said State agency. A copy of the complaint shall be sent to the institution by registered mail. In such case the appropriate State agency shall set the date and place for public hearing on the Administrator's complaint. After such hearing, the State agency shall make its findings, one copy of which shall be served upon the Administrator and one copy upon the institution. If the State agency finds that the Administrator's complaint is justified, it shall withdraw its approval from the institution unless, within 60 days from date when such findings are mailed to the institution, the institution shall submit a proposal satisfactory to the State agency for the adjustment of its rates or the method or quality of training; the State agency shall fix a reasonable time limit within which such adjustment shall be made or its approval withdrawn. *Provided*, That if the State agency shall find that the Administrator's complaint has not been sustained then its findings shall be conclusive upon the Administrator as to the fairness and reasonableness of such tuition charges.

"(c) Such public hearing shall be conducted under rules established by the State agency: *Provided, however*, That in all cases a verbatim record of the hearing shall be

made, one copy of which shall be supplied to the State agency and one copy to the Administrator. The Administrator shall pay the cost of both such copies. The educational or training institution shall have access to the State agency copy or may secure copy at its own cost."

Paragraph 5 of part VIII, as amended, now provides for the payment of the customary cost of tuition and certain other expenses for eligible veterans pursuing courses, subject to a limitation that such payments shall not exceed \$500 for an ordinary school year unless the veteran elects to have customary charges paid in excess of such limitation, in which event, his period of eligibility shall be charged for the excess. The last proviso of paragraph 5 also provides that an institution may apply to the Administrator for adjustment of the tuition and if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, he may provide for the payment of "such fair and reasonable compensation" (subject to the \$500 limitation) as will not exceed the estimated cost of teaching personnel and supplies for instruction.

While the bill refers generally to tuition charged by an educational or training institution furnishing training under part VIII, it does not refer particularly to the special provisions of subparagraph 3 (b) of part VIII, as amended, which specifically authorize the Administrator to contract for and determine the reasonableness and fairness of the agreed cost of short, intensive postgraduate, or training courses of less than 30 weeks, and of subparagraph 3 (c) which contains similar specific authority as to correspondence courses. Neither does it mention particularly the specific authorization conferred on the Administrator by Public Law 377, Eightieth Congress, approved August 6, 1947, to contract for institutional on-farm courses on the basis of a finding by him that the agreed cost is "reasonable and fair." As drafted, therefore, the bill apparently would not repeal or modify these provisions of subparagraphs 3 (b) and 3 (c) and of Public Law 377, and apparently would not, as to cases to which those provisions apply, transfer the function of determining the reasonableness of tuition charges from the Administrator to the State agencies. For similar reasons, it is not clear that the bill is intended to affect the authority expressly given to the Administrator by the last proviso of paragraph 5, part VIII, relative to the adjustment of tuition charges where he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor.

The Veterans' Administration also makes determinations as to the reasonableness of charges by proprietary profit institutions for courses of 30 weeks or longer where the established rate exceeds \$500 for a full-time course for an ordinary school year. Further, in certain circumstances, such a determination is made where the charges are at a rate which does not exceed \$500 for an ordinary school year. This applies to profit institutions where the majority of enrollments consists of veterans in training under the act or under Public Law 16 and the institution subsequent to June 22, 1944, has established new rates or has increased rates in what appears to be an unreasonable amount for the service rendered to veterans, and the school or the rates or both are of such recent date that the rates cannot be "customary." The bill is apparently intended to preclude the Administrator from further determining, with finality, the reasonableness of tuition charges to veterans in the situations described in this paragraph. Instead, the bill would require, if the Administrator has reason to believe that the tuition rate is not reasonable for the

training furnished, that he file a complaint with the State agency, which would then be authorized to determine the validity of the complaint and upon a finding that it is justified, to fix a reasonable rate which would be binding on the Administrator as well as the institution. If the State agency found the complaint unjustified its finding would also be binding on the Administrator as to the reasonableness of the tuition being charged.

It is noted that the application of the bill is limited to institutions "heretofore certified by an appropriate agency" and would not cover institutions certified after its enactment. It is also observed that while the bill provides for procedures and determinations by State agencies, State action would be required to implement these provisions by expanding the jurisdiction of the appropriate State agencies to authorize the performance of these functions. Since the proposed procedures would involve additional expense to the States, there exists no certainty that all States would elect to take the necessary action.

The bill would affect matters of vital importance to the administration of the educational program under the Servicemen's Readjustment Act, as amended. It is therefore considered appropriate for the Veterans' Administration, as the present administering agency, to invite your committee's attention to the following serious considerations:

(a) The bill would preclude the Federal Government from authoritatively determining, in certain cases, whether Federal funds paid as tuition under the Servicemen's Readjustment Act are limited to amounts representing reasonable and fair charges and from refusing to make payments on the basis of its determination that such amounts are not reasonable and fair. Instead, the several State agencies would exercise this supervision over Federal expenditures without any responsibility for supplying any part of the funds expended.

(b) The bill would permit each State agency, acting independently of the Federal Government, and of other State agencies, to fix tuition charges in accordance with its own standards. This would undoubtedly result in wide variations among the States, in contrast to the more consistent results obtained by the application of uniform criteria by the Federal Government in determining the reasonableness of expenditures for this purpose. For institutions having branches in several States, there might even be material disparities in tuition charged for the same course.

(c) The bill provides no basis for determining the elements that should enter into the computation of a fair and reasonable tuition rate by the State agency. For this task and for the performance of duties incident to conducting hearings and making determinations, specially qualified personnel would be required. In the experience of the Veterans' Administration, the training of such personnel requires from 6 months to a year or more. It would probably be a considerable period after enactment of the bill before the States would be equipped to discharge their obligations thereunder.

(d) Procedures under the bill might, in many cases, involve long delays. No time limit is specified within which the State agency must hear a complaint received from the Administrator. After the hearing the State agency would require time for making its findings and in the event it found that the complaint was justified, the institution would have 60 days for proposing a satisfactory adjustment of rates and the State could then fix a further period, the length of which is not prescribed, within which the adjustment must be accomplished. Meanwhile, the situation would remain uncorrected except in the event of voluntary action by the institution.

(e) Hearings would be conducted by State agencies under their own rules of evidence

and procedure. No independent audit is required and determinations might frequently consist of the resolution of conflicting opinions and of differing conclusions drawn from conflicting data. To some extent States would be passing on a matter as to which they are interested parties since they would have previously approved the training program concerned, if not the particular schedule of tuition fees.

(f) Without assuming any malfeasance on the part of any State agency, a possible result, at least temporarily, might be that the Veterans' Administration would be forced to pay the rates established by the State agency even though its own investigation established the fact that no training whatsoever is being given.

It may be expected that if the bill is enacted, many schools would promptly raise their tuition rates and the Veterans' Administration would be placed in the position of thereafter paying what it considered to be disproportionately high charges for the instruction furnished, and correspondingly the entitlement of veterans would be adversely affected by the necessity of meeting any increased charges above the \$500 rate through an acceleration of their period of eligibility. The only recourse in such instances would lie in filing a complaint with the appropriate State agency, which action might be followed by indefinite delays and a binding determination by the State agency as to the amount of benefits to be furnished by the Federal Government in behalf of veterans.

It is not possible to estimate the effect of the bill, if enacted, on cost to the Government. From the standpoint of administrative cost the bill itself would require payment by the Veterans' Administration of the cost of copies of the record of hearings conducted by the State agencies. It may be anticipated that the States would also urge that further provision be made for defraying the cost of personnel and other expenses incident to the new procedure.

While it is not my policy to recommend to the Congress what its action should be on general legislation granting benefits to veterans, it is proper to state my position on a proposal which would so alter administrative procedures as to create what I consider to be a serious handicap to the efficient administration of existing benefits. Accordingly, for the reasons already stated, I am unable to recommend favorable consideration by your committee of H. R. 6079, Eightieth Congress.

Due to the urgent request of the committee for a report on this measure, there has not been sufficient time in which to ascertain from the Bureau of the Budget the relationship of the proposed legislation to the program of the President. A supplemental report will be furnished later in that connection.

Sincerely yours,

CARL R. GRAY, Jr.,
Administrator.

Mr. ROSS. Mr. Chairman, I offer a substitute amendment which is at the Clerk's desk.

Mr. WIGGLESWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WIGGLESWORTH. Mr. Chairman, I understood that the amendment offered by the gentleman from Nebraska as amended by the amendment offered by the gentleman from Connecticut had been accepted.

The CHAIRMAN. No; the modification of the amendment was accepted.

Mr. WIGGLESWORTH. Mr. Chairman, is this in the nature of a substitute?

The CHAIRMAN. It is a substitute amendment and was so announced by the gentleman from New York.

Mr. COLE of New York. Mr. Chairman, the substitute amendment has not been read.

The CHAIRMAN. The Clerk will report the substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. Ross: Strike out all after the word "allowance" in line 14, through 15, 16, and 17 on page 14, and add the following: "In any case where the veteran proposes to take a course in a school other than in an approved elementary or secondary school, or institution of higher learning, unless the veteran, in cases where the Administrator deems it advisable, receives counseling and advisement from the Veterans' Administration on the relationship of such course to his vocational or occupational objective before he elects to pursue such course under this part."

Mr. WIGGLESWORTH. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WIGGLESWORTH. I make the point of order that the amendment is legislation on an appropriation bill and imposes additional duties on the Administrator.

Mr. ROSS. Mr. Chairman, may I be heard on the point of order for a brief statement?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ROSS. Just for one brief observation. I think this is a limitation upon an appropriation bill, and for that reason I think it is germane.

Mr. WIGGLESWORTH. Mr. Chairman, I repeat, this imposes new duties on the Administrator, and is legislation on an appropriation bill.

The CHAIRMAN. The Chair sustains the point of order.

Mr. ROSS. Mr. Chairman, I offer another amendment.

The CHAIRMAN. Is it an amendment to the pending amendment?

Mr. ROSS. It is to the paragraph.

The CHAIRMAN. The Chair will not recognize the gentleman for that purpose at this time.

Mr. EVINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the purpose of my rising is in support of an amendment to remove legislation on an appropriation bill, which would cripple and curtail the veterans' flight-training program.

The Committee on Veterans' Affairs has held extensive hearings on this subject, and the action taken by the Appropriations Committee is ill-considered, ill-advised, and hasty action. The Committee on Veterans' Affairs of the House has held extensive hearings on this program. Enactment of this rider legislation would bring about a reversal of policy of the Servicemen's Readjustment Act—the GI bill of rights. When the GI bill of rights was originally enacted, the question was brought up as to whether or not the Veterans' Administration should approve schools and veterans' courses of training or whether the State educational authorities should set up and approve the training schools for ex-servicemen. It was resolved in favor of the State educational authorities.

Under the GI bill of rights, the State educational authorities have the matter of approving these schools. This prin-

ciple should be continued. This system can, through cooperation of the Veterans' Administration, bring about elimination of the so-called abuses, and yet retain the good and beneficial phases of this veterans' educational program.

Mr. CHAIRMAN, members of the Veterans' Affairs Committee, the overwhelming majority of them, are in favor of continuing veterans' flight-training instruction. I strongly feel that the veterans' flight-training program should be continued. Doubtless there have been some abuses, but results from the veterans' program have been great. Such courses as ballroom dancing, bartending, stock-market trading may well be eliminated, but the veterans' flight-training program should be continued. Such education and training has been and is beneficial for civil aviation and national defense. We should not cripple the program in this age of science and airpower—this, the air age of America.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Florida.

Mr. SMATHERS. Is it not a fact that the President's Air Commission recommended, in addition to a civil air force, the continuation of this veterans' training program?

Mr. EVINS. The President's Air Policy Commission has pointed out the importance of civil aviation training and the need for such training programs. Gen. Hoyte Vandenberg, Chief of the Air Forces, in a recent speech before members of the Civil Air Patrol, has also pointed out the great value and importance of civil aviation training and of the general benefits of flying knowledge among civilians in aid of our military air force.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Ohio.

Mr. RAMEY. Is it not a fact also that this present policy of the Commission is nonpartisan and that the gentleman from Nebraska [Mr. STEFAN] is on that Commission and they recommend this as a vital part of the defense program, do they not?

Mr. EVINS. The gentleman is correct. That is my information.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. STEFAN. I am glad the gentleman agrees with me. I hope he supports the amendment.

Mr. EVINS. I am in favor of any constructive amendment which will preserve the veterans' flight training program. I think that the gentleman's amendment is directed to that end and is more preferable than the language in the bill as proposed.

It has been said that such training does not lead to vocations. The facts show the contrary to be true. Such courses lead to vocation of being pilots, border and coast patrolmen, radio engineers, flight training instructors, mechanics, positions in communications, aid in farming and crop dusting, and aids in

various other trades and professions for veterans.

Mr. CHAIRMAN, in summary, it seems that the efforts in economy always begin with the veterans. The ex-service men of our country, as has been well stated by the national representatives of veterans' organizations before our committee, are tired of being labeled and singled out as the villain by powerful antiveteran interests. Too much discredit and not enough credit has been given to the veterans' efforts to educate and rehabilitate them. Many veterans are permitted to study law but subsequently decide not to practice law. Other veterans study agriculture but later decide to follow some other calling than farming. These veterans are not criticized. Why then should a veteran not be permitted to take a course in aviation or flight training if that is his interest or educational or trade inclination? Certainly knowledge in aviation and flight training in this age of science and air power is of great importance to the well-being of our Nation.

Mr. CHAIRMAN, I urge that we keep faith with our veterans by voting to eliminate this restrictive language in the pending bill. The entire rider on the legislation should be eliminated if the flight training savings amendment is not approved.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. RAMEY. And this morning we reported out of the committee and recommended a bill which still leaves the sovereignty in the State's approving agency but allows the administration to act as a prosecutor to pick out any school which a man wants. That will clarify the whole situation.

Mr. EVINS. I thank the gentleman for his observation.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. HOLIFIELD. And is not this just another occasion of the Appropriations Committee usurping the powers and prerogatives of the Veterans' Committee?

Mr. EVINS. It is one of numerous instances and it should not be permitted.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I merely want to emphasize what I said in general debate that this language is approved by leading officials of the Veterans' Administration, by leading officials of the American Legion, by leading officials of the Veterans of Foreign Wars, and by leading veterans on the floor of this House.

Mr. CHAIRMAN, I move that all debate on this paragraph and all amendments there to do now close.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska as modified by the amendment offered by the gentleman from Connecticut.

Mr. MUHLENBERG. Mr. Chairman, I ask unanimous consent that the amendment may again be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. STEFAN as modified by the amendment offered by Mr. MILLER of Connecticut: Page 14, line 17, after the period, insert: "For the purpose of this proviso training for the purpose of teaching a veteran to fly in connection with his business or occupation in which he is now engaged or for which he is training shall not be considered avocational or recreational."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk read as follows:

Hospital and domiciliary facilities: For hospital and domiciliary facilities, \$202,000,000, to remain available until expended for the payment of obligations heretofore or herein authorized to be incurred under this head, and, in addition, the Administrator of Veterans' Affairs is authorized to incur obligations prior to July 1, 1950, in an amount not exceeding \$43,000,000, for extending, with the approval of the President, any of the facilities under the jurisdiction of the Veterans' Administration or for any of the purposes set forth in sections 1 and 2 of the act approved March 4, 1931 (38 U. S. C. 438j-k), or in section 101 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a): *Provided*, That the authority contained in the Third Urgent Deficiency Appropriation Act, 1946, and in the Independent Offices Appropriation Act, 1948, to incur obligations for the purposes of this appropriation is hereby extended to July 1, 1950: *Provided further*, That not to exceed 6.7 percent of the foregoing appropriation and contract authorizations shall be available for the employment in the District of Columbia and in the field of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 10 percent of the cost of such projects may be expended for such services.

Mr. WIGGLESWORTH. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WIGGLESWORTH: On page 15, line 25, before the period insert the following: "*Provided further*, That notwithstanding any other provision of law the Administrator of Veterans' Affairs may select a site and construct a hospital thereon in Arlington County, Va."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. CHAIRMAN, may I ask, does the fund proposed for hospital and domiciliary facilities include funds for making alterations that are necessary in

existing hospitals as well as for new construction?

Mr. WIGGLESWORTH. Yes; it includes both.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I refer back to the colloquy that occurred during general debate with regard to the follow-through by the Veterans' Administration in the inspection of homes under the GI loans, and I make reference to the remarks of the gentleman from Texas with regard to General Gray's statement that he had money enough and could do a grand job. Do I understand that the additional expense of the follow-through inspection is included and that, as General Gray said, he could do this job, about which there was questionable authority, without additional appropriation?

Mr. THOMAS of Texas. The answer to the gentleman's question is this: The general has some funds for that purpose now. It was the opinion of the committee that he would need additional funds. Our first intention was to transfer those funds in this bill for the Housing Administrator to the Veterans' Administration for that purpose. Furthermore, we wanted the general to submit exactly the amount of money he would need when he got over on the Senate side, and the House would support that additional amount of funds.

Mr. MATHEWS. Then I can be sure if this authority is finally to be determined to be with the Administrator there are sufficient funds supplied to take care of the work?

Mr. THOMAS of Texas. We will see to it that he gets those funds.

Mr. MATHEWS. I thank the gentleman.

Mr. Chairman, I would like to make one further observation, and that is in reference to the flight training. There has been a good deal of talk that this flight training is a part of the national defense, and therefore it should be included in this program without limitation. I do not understand that to be the purpose of the GI bill. The purpose of that act is to rehabilitate a veteran of the last war in civilian occupations so that he can make a living, and not prepare him for the next one. That latter job, it seems to me, comes under the problem of national defense. I am in favor of that, but it should be put under the province of the Army, the Navy, or the Air Force, and not under the Veterans' Administration.

The Clerk read as follows:

Veterans' miscellaneous benefits: For the payment of burial awards authorized by Veterans' Administration Regulation No. 9 (a), as amended, and for supplies, equipment, and tuition authorized by part VII of Veterans' Administration Regulation No. 1 (a), as amended, \$51,883,000, to remain available until expended.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: On page 16, after line 19, insert a new paragraph as follows:

"Automobiles and other conveyances for disabled veterans: To enable the Administrator of Veterans' Affairs to pay not to exceed

\$1,600 on the purchase price of a suitably equipped automobile or other conveyance which is being purchased by a veteran of World War II, who is entitled to compensation for the loss or permanent loss of use of one or both feet; loss or permanent loss of use of one or both hands; and permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20° in the better eye, under the laws administered by the Veterans' Administration, \$8,000,000 to remain available until expended: *Provided*, neither the Veterans' Administration nor any other agency of the Government of the United States of America shall have any liability in connection with the operation, authorization, or license to operate, use, repair, maintenance, or replacement of such automobile or other conveyance: *Provided further*, Only one such payment on the purchase price of an automobile or other conveyance covered by the provisions of this act shall be made for the benefit of any one veteran and no veteran who has received an automobile or other conveyance under the provisions of Public Law 663, Seventy-ninth Congress, or Public Laws 161 and 271, Eightieth Congress, shall be entitled to the benefits of this act: *And provided further*, That the funds provided for this purpose in the First Supplemental Appropriation Act of 1947 (Public Law 663, 79th Cong.), the Emergency Appropriation Act of 1948 (Public Law 161, 80th Cong.), and the Supplemental Appropriation Act (Public Law 271, 80th Cong.), are hereby continued available until expended."

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, I make a point of order against the amendment that it is clearly legislation on an appropriation bill. While no doubt it deals with a situation for which many Members of the House would like to vote if brought before the House as a legislative bill, this would establish a precedent of offering legislation on an appropriation which would open the door wide to all sorts of legislative amendments on an appropriation bill, and therefore I am constrained to make the point of order.

Mrs. ROGERS of Massachusetts. Will the gentleman withhold that for a minute?

Mr. CASE of South Dakota. I would like to withhold the point of order, but if we start debating the merits of propositions like this we will usurp the prerogatives of the Committee on Veterans' Affairs, and therefore I must make the point of order.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard on the point of order?

Mrs. ROGERS of Massachusetts. I would like to be heard on the point of order. I still wish that the gentleman would withdraw his point of order. I will say to the gentleman that the first authorization for cars for amputees was placed in an appropriation bill. There was an authorization in an appropriation bill last year for the extension of that provision. We have just recently in this very appropriation bill now before the

House passed authorizations, and this House has said time and again that there was nothing it would not do for the disabled. This bill as it is now drawn has a great deal of legislation in an appropriation bill. The amputees are among the most pitifully disabled of any group of veterans. You have established a precedent on appropriation bills. I wish the gentleman would withdraw it. I have tried again and again to get legislation for this very thing. The Senate passed a bill last year that gave these men what I consider to be a rehabilitation right.

Mr. CASE of South Dakota. Mr. Chairman, I must insist that the gentleman talk to the point of order. If there is some legislation in the bill, it is protected by the rule under which the bill is being considered and points of order could not be made against it, as the gentleman knows. I am just as sympathetic with this proposition as is the gentleman. The gentleman is the very able and earnest chairman of the Committee on Veterans' Affairs, and when the bill which her committee has reported and is on the calendar comes before the House, I will vote for that legislation. But it certainly violates the principles of the House to bring in legislation like this on an appropriation bill. If you start this you will open the door wide and there will be amendments offered which will take over the work of the Committee on Veterans' Affairs and result in denying to it proper consideration of many matters. You will have all sorts of conflicting laws if committee consideration is destroyed and there will only be confusion.

Mrs. ROGERS of Massachusetts. Mr. Chairman, it has been done time and time again. Our committee reported out a larger bill than this amendment over a year ago. And it is on the calendar. It is now near the adjournment of the Congress and the time is short to secure the passage of this bill. I have asked repeatedly for a rule and for a suspension of the rules with no results.

The CHAIRMAN. Will the gentleman address herself to the point of order rather than the merits of the amendment?

Mrs. ROGERS of Massachusetts. I feel, Mr. Chairman, since the principle was established on this very provision, not taking in quite the same group, some years ago, that it should be followed here. I have watched the gentleman's work for the disabled for years and I know he would not willingly hurt the disabled. I feel he is acting under a sense of loyalty.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New Jersey.

Mrs. NORTON. Of course, the gentleman knows that there is legislation in this appropriation bill. Why object to a little more?

Mrs. ROGERS of Massachusetts. The gentleman is absolutely correct.

The CHAIRMAN. This is clearly legislation on an appropriation bill. Consequently, the point of order is sustained.

The Clerk read as follows:

SURPLUS PROPERTY DISPOSAL

Effective August 31, 1948, the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want the Members to understand fully just what is being done in connection with this provision dealing with surplus-property disposal. I regret that I was unable to be here during the general debate, but by reason of my activities on some other committees it was impossible for me to be here.

I have a great respect for the distinguished gentlemen of the subcommittee. I doubt, however, whether they were possessed with sufficient facts to write an intelligent approach to the problem of liquidating war surpluses. For about 2 years now I have been quite closely identified with surplus-property activities. In a previous session of the Congress I was a member of a special committee which was known as the Slaughter committee to investigate the activities of the War Assets Administration, in connection with surplus property. During the Eightieth Congress, as chairman of a subcommittee of the Committee on Expenditures in the Executive Departments, I have been looking into the activities of surplus-property disposal.

One day toward the latter part of last week, although I do not remember the exact date, the distinguished gentleman from California [Mr. PHILLIPS] told me that the Committee on Appropriations was getting ready to legislate in connection with surplus property. Our conversation had more to do with the amount of the appropriation than it did with the transfer of these activities. As a matter of fact, the gentleman from California did not know at that time, or if he did, he did not tell me, to just what extent the Committee on Appropriations intended to go and to what agencies they intended to transfer this property.

At a later date last week the distinguished chairman of the subcommittee, the gentleman from Massachusetts [Mr. WIGGLESWORTH], for whom I have the highest regard, found me here on the floor one day. He was busy, and I was, too. He said, "I understand you have talked to Mr. PHILLIPS." I said, "Very briefly." He said, "We are planning some legislation in connection with that." Perhaps I did not have any reason, but I thought that perhaps the distinguished gentleman of this subcommittee might call me or some member of our committee, and advise with us, or at least explain to us exactly the extent that they had gone in connection with this legislation.

I am not here particularly to pick any quarrel with them, but I want the House to know definitely what you are doing. When you started out with this War Assets program, there was somewhere between thirty-five and fifty billion dollars involved. There is a residue of real and personal property of something like \$7,000,000,000 left to be administered.

Approximately \$5,000,000,000 worth of that property is real estate, including agricultural, industrial, and residential property. Certainly I did not know, and no one on the Committee on Appropriations told me prior to yesterday when I first saw this bill that this real estate was to be transferred to the Reconstruction Finance Corporation. If they had, I would have had some argument with them at that time, because very frankly the activities of the Reconstruction Finance Corporation thus far in connection with the disposition of surplus property have not been such as I believe the Members of Congress would give their unqualified approval to.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. RIZLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Mr. Chairman, I want the Members of the House to know that if this real estate is transferred to the Reconstruction Finance Corporation, first, it becomes taxable.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. PHILLIPS of California. The gentleman was not here when I said that is a point which is still a moot question. Counsel for the Reconstruction Finance Corporation does not think as of this moment or is not sure as of this moment that it is taxable, and my reply to a previous question was that perhaps it should be taxable or that that was something that could be corrected in the Senate.

Mr. RIZLEY. In any event, it is taxable.

Mr. Chairman, today we are paying about \$3,000,000 a year, I believe, on properties that the Reconstruction Finance Corporation is now controlling. When this transfer is made there will be an additional tax bill of something like \$4,000,000. That is point number one. In addition to that, under this bill the Committee on Appropriations completely eliminates all priorities in connection with the disposition of surplus property. As far as the residue of personal property is concerned, even though there is going to be a considerable hue and cry, I will go along with the committee on that. But I am not yet ready to say that we should repeal all of the provisions of the Surplus Property Act so far as priorities are concerned in connection with real estate. You have, for instance, about 450,000 acres of agricultural lands left. Those agricultural lands in the main were taken for auxiliary airfields and things of that character. They were used largely by the farmers at the time they were taken, and the farmers in most instances were told that they would have the right and privilege to come in as priority purchasers, and that they would be able to get these lands back. There is legislation now pending before the Committee on Expenditures in the Executive Departments to make these lands available under veterans' preferences.

The legislation will probably not be passed at this session of the Congress, but the subcommittee, of which I am chairman, recommended a bill, offered by the gentleman from Arkansas [Mr. HAYS] that would give veterans a priority as far as purchasing these agricultural lands is concerned.

In addition to that, there are a great many former owners of other properties that are involved here, who heretofore have had a preference and priority in the purchase of property that was taken from them during the war. There are many cases pending now in which those former owners think, and rightly so, I believe, that they should have the right to repurchase these properties taken from them for war purposes, and we recommended a special bill last week, sponsored by the gentleman from California [Mr. LEA] in which we authorized and directed in a specific case that a former owner be permitted to exercise priority of purchase.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. POAGE. As a matter of fact, the Government took these lands for a specific purpose, and that was the only right it had to condemn them.

Mr. RIZLEY. That is right.

Mr. POAGE. Now, if the Government sells it for any other purpose, it has not dealt fairly with the men from whom it took it?

Mr. RIZLEY. That is right. There are a great many things that could be said in connection with this. I have had but a brief time in which to analyze the bill.

The surplus property subsection, if it becomes law: First, the War Assets Administration will continue to function only until August 1, 1948. I am advised that if we go into this wholesale liquidation at once and notices are required to be given to employees and I am just as anxious to get rid of a lot of employees down there as anybody else—but it should be done in an orderly way. If you serve notice now, under existing law, on the 1st of July, that you will terminate employment of most of these people on the 1st of August, the accumulated time will cost you about \$20,000,000. If you wait until the 31st of July to give 30 days' notice, it will cost close to \$25,000,000.

Frankly, I think what this committee should have done is to continue the War Assets Administration until about December 31 of this year, and then let the new Congress work out some orderly disposal of the residue. I just do not think it should be done in this way.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. RIZLEY], has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH]?

Mr. HOLIFIELD. Mr. Chairman, reserving the right to object, I have an amendment which I wish to offer at the

proper time, on page 17. Will that be in order?

The CHAIRMAN. The gentleman can offer it at any time.

Is there objection?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

(Mr. HOLIFIELD asked and was granted permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I rise in support of my subcommittee chairman, the gentleman from Oklahoma [Mr. RIZLEY], notwithstanding the assurances that were given by the gentleman from California [Mr. PHILLIPS] that he had assented to this particular method of eliminating the War Assets Administration. This is a big problem. You have got a bear by the tail on this thing. If you follow the recommendation of the subcommittee on this, you will get into plenty of trouble.

There is about \$7,000,000,000 declared surplus at the present time to be disposed of, including leaseholds. There is probably that much more which should be declared which has not been declared and which cannot be declared surplus if this bill is passed.

That amount which cannot be declared surplus will have to be disposed of not as useable material but as scrap and as salvage. Keep that in mind. If you think this is economy, you will wake up as you did on the internal-revenue bill, when you cut off all the collectors of taxes and had to put them back again.

All right, title, and interest in notes, mortgages, and contracts of sale and leases are transferred to the Reconstruction Finance Corporation, which is a lending agency and not a sales agency.

Keep that in mind. Transfers to the Air Force, the RFC, the Bureau of Federal Supply in the Treasury Department, and I suppose the Army and the Navy; at least it allows them to retain such surplus property as they have. All of the material which is now in the hands of one disposal agency which, notwithstanding criticism, is functioning the most efficiently that it has ever functioned is transferred to at least three separate agencies. Their present efficiency is the result, I think, of the two years' work we have done on our subcommittee forcing them to do the thing which they should have done before. This committee bill leaves no department of Government any freedom to declare property surplus. It must be disposed of as scrap even though it be useful material. There is no right to transfer that surplus from one agency to another agency if this section is carried through. Undeclared surpluses which may be used by different agencies cannot be so used because there will be no provision for one agency to transfer to any other agency of the Government. And as the chairman of the subcommittee, the gentleman from Oklahoma [Mr. RIZLEY], pointed out, it removes all priorities on the purchase of real property whether 't be a factory, a warehouse, a piece of agricultural land or a

business building. The former owner will not have the right to come in and exercise his priority. If you think you had some letters on priority, wait until you pass this bill and you get the irritable former owners of this property on your necks.

Mr. JENKINS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. JENKINS of Pennsylvania. It is also my understanding that no provision is made for small business in relation to—

Mr. HOLIFIELD. That is right; the gentleman has brought up the matter of small businesses or business facilities which have been acquired by the Government as a result of the war. They cannot be regained by the former small-business owners if you pass this bill.

There is only one way to correct this bill. That way is for this House to strike out the language beginning on page 17 and ending on page 22 and insert in lieu thereof language which I will offer in amendment at the proper time.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Strike out all language beginning with line 1, page 17, and continuing to and including line 22 on page 26, and insert in lieu thereof the following language:

"War Assets Administration, salaries and expenses. War Assets Administration: For expenses necessary to carry out the purposes of the Surplus Property Act of 1944, as amended, the sum of \$90,700,000 is provided for the fiscal year ending June 30, 1949."

Mr. HOLIFIELD. Mr. Chairman, my amendment will do as it says, strike out the surplus property disposal section of the bill and will insert practically the same condition as exists now. However, the amount of money which is appropriated by the Appropriations Committee, \$50,000,000, is raised to \$90,700,000, which is the minimum requirement of the Budget Bureau for a single agency operation of existing surplus property disposal and it is broken down as follows:

Care and handling of real property, \$25,000,000.

Care and handling of personal property, \$20,000,000.

Care and handling of aircraft components and electronics, \$11,000,000.

Additional tax requirements, \$2,500,000.

Sales, accounting, and administration costs, \$31,000,000.

Let me point out that the War Assets Administration netted to the Government \$280,000,000 over its operational expense in the past fiscal year. It is estimated that they will net to the Government \$80,000,000 during the coming fiscal year ending June 30, 1949. You have got a big problem here that you do not realize. People who have studied this question are amazed at what is involved here. You are going to cost the taxpayers of the United States hundreds of millions of dollars by eliminating the War Assets Administration in such a whole-

sale manner. Just imagine liquidating a bureau in about 70 days that has six or seven billion dollars' worth of property to dispose of; and remember that there is no additional appropriation made for the owner agencies, the agencies to which this material will be transferred to take care of the job that they have got to do. The property is still here, the plans are here, the maintenance has got to go on. The insurance has got to go on, the sales expense has got to go on, the accounting has got to go on. You have made no appropriation to these agencies which will receive a tremendous amount of property to take care of.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Georgia.

Mr. PRESTON. If the bill now under consideration is passed, is it true that the former owners of the 280,000 acres of land lying in my district will be denied the right to purchase that land back if the Government ever disposes of it?

Mr. HOLIFIELD. The gentleman is exactly right. No former owner will have the prior right to purchase the property taken from him by his Government by condemnation proceedings or acquisition.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is the RFC equipped to handle this?

Mr. HOLIFIELD. The RFC is not equipped to handle it. The Ferguson committee report will show that the handling of real property by RFC has been one of the most deplorable messes in the history of governmental action.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Florida.

Mr. SMATHERS. Is it not a fact that the Army Air Force cannot sell or dispose of any equipment until it is classified as either scrap or salvage?

Mr. HOLIFIELD. The gentleman is right. There is a billion dollars of aircraft component parts that will have to be sold as scrap. Most of this material is in the hands of aircraft-disposal agencies, which will get from 40 to 60 percent recovery for the Government.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman think it is conceivable that the Reconstruction Finance Corporation will do a worse job in handling this property than the War Assets Administration?

Mr. HOLIFIELD. It has done a worse job than the War Assets Administration during the past year and a half and every subcommittee member of the Committee on Executive Expenditures, both Republican and Democratic, will certify to that.

Mr. KEATING. I have a file 4 feet thick of miscarriages of justice by the War Assets Administration and so has every other Congressman in this body.

Mr. HOLIFIELD. The War Assets Administration has not always been faultless, but a whole lot of that has been due to the fact that you have changed Administrators five or six times. Every time the Administrators were changed there was another 3 to 6 months delay in disposal of property. We have an administrator in there who is doing his job according to the instructions of the Subcommittee on Surplus Property. He is doing a good job, he is doing an efficient job, as efficient as is possible, and you should not disturb this particular situation at the present time, because if you do, you are going to have another 3 to 6 months' delay and waste in the disposal of this property and further deterioration and obsolescence of the property.

Mr. Chairman, I hope my amendment is given careful consideration by the committee because I know it will save the Government and the taxpayers money if it passes.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOFFMAN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. HOFFMAN for the Holifield amendment: Page 19, line 3, after the semicolon insert "as to the disposal of personal property but shall continue as to the disposal of real estate."

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, I happen to be a member of the committee which wrote this bill, not the particular one we are considering, but the War Surplus Property Act, and I have never been proud of that piece of legislation.

When that bill was up for consideration by the House I remember very distinctly that several Members rose on both sides and said they were going to hold our committee responsible for the operation of that law. I also recall very distinctly that no member of the committee would assume that responsibility. It was one of those "must" bills. It was one of those bills which had to be written—a bill to cover an activity in which so many were interested; where so much pressure was brought, first by representatives of one group, then by legislators representing another group, that the final result, at least in my opinion, was a monstrosity.

I do not believe that very many of us on the committee thought it would work. It never has worked. It is my humble judgment, it has been maladministered. It has afforded an opportunity for fraud and discrimination, and I for one would like to see the Government get out of the surplus-property business.

The question before the Executive Expenditures Committee for 2 or 3 years was whether or not we should get rid of all this surplus immediately or whether we should go on and keep it and try to get something out of it. Personally I did not care. I was almost willing that we should dump it into the ocean and get rid of it. I preferred that we turn it over to some selling agency and let them

get rid of it, charging a fair commission. But too many groups wanted priority, an opportunity to get something for nothing. What we expected and predicted then has come to pass. The cost of trying to dispose of this property almost equals the amount we get out of it.

We have had hearing after hearing on the matter. I know a subcommittee of the Expenditures Committee has had the matter up for a year and a half. It was up in the last Congress. Our Democratic friends had it before then. We took over the special committees' work and we fussed and fooled along with it. The subcommittee headed by the gentleman from Oklahoma [Mr. RIZLEY] has done a remarkably good job. Recent hearings have shown that the veterans who should have had priority on property that has been declared surplus, both personal and real, and I have in mind the real estate down at Parkview Heights, Knox, Ind., did not get it. They offered something like \$25,000 profit to the people who bought it. Then they could not get it, they could not purchase it. The veterans were denied the opportunity to purchase it for \$175,000, yet the Administration turned around and sold it to a private concern for \$150,000. That was after the veterans were told that the price was not one hundred and fifty, not one hundred seventy-five, but was two hundred and fifteen, and that the veterans had to have the cash.

So I say that some time—and in my opinion that time is today—we should begin to plan to get rid of this stuff, and the quicker we do it the more money we will save. There was something in what the gentleman from Oklahoma [Mr. RIZLEY] said, and that is why I put in that substitute for the amendment of the gentleman from California [Mr. HOLIFIELD]. These people who conveyed this real estate to the Government, or from whom it was taken, should have the opportunity to purchase back, but let us not go along piling up administrative charges and storage from now until doomsday.

If I owned that property as an individual, I would be willing, gentlemen, to give it away rather than to pay the charges and bring about the iniquities that this Administration through this agency is forcing upon our people—veterans and the former owners.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Under the Surplus Property Act the owners of real estate have a priority in reacquiring.

Mr. HOFFMAN. Yes; and I preserve that by the substitute for the amendment.

Mr. WALTER. And unless the gentleman's amendment is adopted, then that preference will not exist.

Mr. HOFFMAN. That is right, and that is why it was put that way. Let the former owners of the real estate, those who have been given priority under the law that we have now, continue to have that priority, but let us get rid of this so-called surplus property.

Mr. GOFF. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Idaho.

Mr. GOFF. The gentleman's amendment will permit the educational institutions who have made claims for property to use it for historic monuments, and the States and counties that have asked for this property to continue to have the priorities that they have now.

Mr. HOFFMAN. That is right, on real estate.

Mr. GOFF. On real estate alone.

Mr. HOFFMAN. Yes. But, the bill as amended by the substitute will require someone to get rid of this stuff some day and that right soon.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from California.

Mr. HOLIFIELD. My amendment as offered will preserve to the owners their right which they have under the Surplus Property Act. The change that the gentleman's amendment will make will be strictly regarding personal property; is that correct?

Mr. HOFFMAN. Real estate. This amendment will preserve the priority rights in the real estate; not in personal property.

Mr. HOLIFIELD. But my amendment as offered will also preserve that right.

Mr. HOFFMAN. In personal property?

Mr. HOLIFIELD. In everything.

Mr. HOFFMAN. Yes, but the gentleman does not want it disposed of. He wants to continue this War Assets Administration, to have it keep on forever and ever and ever. Now, there comes a time when a man ought to sell something. As they say, there comes a time when they ought to bury us.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Florida.

Mr. SMATHERS. Do I understand that the gentleman's amendment preserves all the priorities as they pertain to real property?

Mr. HOFFMAN. That is right. But not as to personal property.

Mr. SMATHERS. Not only the former owners, but the veterans and everybody else.

Mr. HOFFMAN. That is right. I am well aware of the contention of my distinguished friend the gentleman from West Virginia [Mr. SNYDER] and of some other members of the Committee on Expenditures in the Executive Departments, especially those Members who sat as members of the Subcommittee on Surplus Property. They believe that shifting the duty of disposing of this surplus property from the present to another agency of the Government will result in delay because it will be necessary, they think, to have a new administrative set-up.

That may be true to a certain extent, but, if we permit the present agency to continue to handle this property, we have no assurance that they will ever

make a vigorous, determined effort to dispose of it in the immediate future.

If we consider past experience, we have every reason to believe that, like so many other agencies, it will continue on and on, be a long time dying, if ever it dies, and all of the time charges against the remaining property will be accumulating and the Government's final net return will grow less and less.

Moreover, there have been altogether too many instances of at least apparent fraud, favoritism, discrimination. We have had plenty of maladministration, as the hearings of our subcommittee and its reports have demonstrated, and we have no assurance that a future administration will be any more efficient or will in the next few years close the books on the Government's war surplus property.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that debate on all amendments to the bill and amendments thereto close in 30 minutes, the last 8 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, I want to mention a situation with which I am familiar in my district. If the bill is passed in its present form, without the Holifield amendment or the Hoffman amendment, 2,500 former landowners will be deprived of the right to repurchase lands which were condemned by the United States Government. In the First Congressional District of Georgia there are 285,000 acres of land now held by the United States Army, known as Camp Stewart, Ga. When the war began, the Government went into that area and put into the road with little notice 2,500 families. They were forced to go out and seek other homes. We have been trying through the legislative processes of this Congress to compel the War Department to declare that land surplus and give it back to those people, or sell it back to them, but the Government has kept it for 3 years, using it for absolutely no purpose whatsoever.

Now, when the War Department comes around to the proposition of getting rid of this land, if this bill is passed without the Hoffman amendment or without the Holifield amendment every one of those people will be denied the right to purchase that land back, and a great corporation known as the Union Bag and Paper Co. will wind up owning every acre of this land.

There are three counties in my district involved in this proposition. One county was wiped out by this great condemnation proceeding. It is manifestly unfair for this Congress to deny those people who were put into the highways with their belongings and driven into other sections of the country, and who were paid the very minimum price for their land, the right to repurchase this land. If we pass this legislation without these

amendments, that is exactly what will happen. I urge you to adopt one of these amendments, whichever may please you, in fairness to those people.

That is in my district, but there are comparable situations throughout the United States. These amendments are fair, to protect those former property owners.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I beg your indulgence for a minute to discuss these two amendments. First, the Hoffman amendment endeavors to correct one little facet of the grave error that has been made by this hastily considered legislation.

It does protect the land priorities of the former owners, but it goes no further than that. It leaves four pages of the most carelessly drawn legislation I have ever seen brought in here on an appropriation bill.

Mr. HOFFMAN. Is it worse than the reorganization bill?

Mr. MONRONEY. I am sorry the gentleman does not like reorganization. Many do.

The amendment offered by the gentleman from California [Mr. HOLIFIELD] strikes out all of the ill-considered legislation that is put in by the Committee on Appropriations.

The Holifield amendment will correct all of the deficiencies that are in this bill, including the novel local taxation feature that the Government will have to pay on \$3,000,000,000 worth of real property. At the rate we have to pay in Oklahoma figuring that there is \$3,000,000,000 worth of real property, that would amount to about \$135,000,000 a year in taxes that the Government will be paying.

Yet they say that they are trying to save a little bit of money.

You could have looked all over the Government agencies and everywhere else to put this real property sale, and you could not have found a single agency that had to pay a tax except the Reconstruction Finance Corporation.

There is no doubt about this self-imposed tax liability. Here is the bill that was passed 3 weeks ago setting forth in line and detail that all real property held by the Reconstruction Finance Corporation must pay a local tax. We transfer the right, title, and interest to the Reconstruction Finance Corporation. There can be no doubt about it. It is an open and shut matter.

So there are about \$135,000,000 in local taxes that you are starting out to pay on surplus property, and do not make any mistake about it.

You will be here asking for money to pay local taxes on the entire assessed valuation of Bonneville Dam and all reclamation projects and TVA and then your war plants, Army camps, post offices, and so forth, once you set this precedent. This is the camel's nose under the tent. I hope you do not want to get started into this kind of a proposition.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, I rise in support of the Hoffman amendment and am very sorry to disagree with the chairman of the committee that I cannot see his amendment at this time. Surplus-property administration has been kicked from pillar to post in the Federal Government. I was very much surprised to see this provision in the appropriation bill. It was my understanding that we did not put legislative provisions in appropriation bills. The committee having to do with surplus property of which I am chairman has been having hearings on this matter. As a matter of fact, over the past year, we have had over 40,000 pages of testimony dealing with the disposal of surplus property. In 1944 you had the Surplus War Property Administration. It was then changed to the Surplus Property Board. Then we had the Surplus Property Administration, and then the Reconstruction Finance Corporation. Then we came down to the War Assets Administration. Every time we have changed from one agency to another we have slowed up the process of disposing of surplus property. That is what we are going to do here in this instance. It will lose the taxpayers' money. It will lose the Government money. There will be nothing saved by the adoption of this proposal as contained in this bill. I recognize that the President sent down some time ago a proposal that surplus property be liquidated and turned over to the Federal Works Agency on June 30. I did not agree with that proposal. I think the proper policy is to continue the War Assets Administration. We have some \$74,000,000 worth of property in Hawaii. There are some 3,000 trucks there. Those trucks need to be put into the ECA program, and what we had better be doing is to coordinate the property that we have in surplus with the needs of ECA and begin to coordinate this problem and see that it meets some of the needs and some of the commitments of this country.

The CHAIRMAN. The gentleman from Idaho [Mr. Goff] is recognized.

Mr. GOFF. Mr. Chairman, due to the fact that the chairman of the subcommittee has agreed to accept the Hoffman amendment, I will not use my time.

The CHAIRMAN. The gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. I do not care to be heard on this amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Arkansas [Mr. HAYS] is recognized.

Mr. HAYS. Mr. Chairman, the Surplus Property Act of 1944 is not as bad a piece of work as the gentleman from Michigan indicates. Those of you who were in the Seventy-eighth Congress will remember that this House worked hard on that piece of legislation. It was generally agreed, after our struggle with it, that the whole problem was so complicated that no matter how good a job we did legislatively there would still be a lot to object to in its administration. It is inherent in the disposition of billions of dollars' worth of war goods. However, I believe the record will justify the state-

ment that the Surplus Property Act of 1944 has been administered more acceptably and has proved to be a better act than the one under which the surplus property of the First World War was disposed of. So we ought not be too critical.

However, if we do what the Appropriations Subcommittee asks us to do now, we are taking out of the hands of the Expenditures Subcommittee a technical piece of work that belongs to them. I hope that on the vote on the Holifield amendment the Members will not forget what the gentleman from Oklahoma [Mr. RIZLEY] told us. He is a specialist on this subject. He showed by his analysis of the subcommittee's recommendation that we would make a grave mistake if we should transfer this to a lending agency. The RFC was never established to do this sort of thing.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MONRONEY. And the officials of the RFC are the first to admit that they do not want this job, and do not feel they can handle this job.

Mr. HAYS. Exactly. The Committee on Banking and Currency has worked for weeks on the problem of getting the RFC into what it was designed to be—a lending agency. Here we propose to dump entirely new duties into their lap and require them to build a new organization for this purpose.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Yes, I yield.

Mr. PHILLIPS of California. The gentleman's party turned it back to the RFC a little while back, did it not?

Mr. HAYS. We took no step in this direction, if I am correctly informed. We never anticipated that the RFC would administer thousands of acres of agricultural land, for example. Furthermore, until the gentleman from California can tell us unequivocally that taxes will not immediately become due on this land, we ought to hesitate from the standpoint of cost alone; because we are about to involve the United States Government in millions of dollars of tax liens and tax assessments, when we know under the present procedure that would not be the case.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The gentleman from Massachusetts [Mr. WIGGLESWORTH] is recognized.

Mr. WIGGLESWORTH. Mr. Chairman, in the opinion of your committee, the situation in respect to the disposal of surplus property is highly unsatisfactory.

For 2 years this and that committee of the House has been wrestling with the problem, trying to work out a solution that would be more satisfactory. The War Assets Administration has been under fire from almost every direction during that period, and there still remains \$4,225,000,000 worth of property to be disposed of.

The property is deteriorating. The 1949 costs are estimated at over 58 percent in terms of realization. The net re-

turn to the Government appears to be on its way to the vanishing point. I can see no likelihood, Mr. Chairman, of completing this job with any expedition, unless some action is taken now.

The action recommended may not be perfect. If it is not it can be ironed out when the bill goes to the Senate, but the action recommended is very simple.

It simply turns over all real estate to the RFC to do the job which it has done in the past. It simply turns over personal property to the Bureau of Federal Supply in the Treasury, which is accustomed to doing that kind of work and is in part doing it now. It simply turns over airplanes and component parts to the Department of the Air Force, which should be able to dispose of them if anyone can.

That in substance is all there is to the proposal. I believe it is a practical step in the direction of an early utilization of available property and of the maximum return to the Government.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. PHILLIPS of California. Unless the Hoffman amendment is adopted and the Holifield amendment defeated, is it not a fact that more surplus property is constantly being fed to the War Assets Administration and that it will exceed \$400,000,000 in property not connected with the war.

Mr. WIGGLESWORTH. That is correct. I rise in support of the Hoffman amendment and in opposition to the Holifield amendment.

The CHAIRMAN. The gentleman from Texas [Mr. THOMAS] is recognized for 4 minutes to close the debate.

Mr. THOMAS of Texas. Mr. Chairman, we are all trying to arrive at the solution of the same problem. Let me reason with you for just a half minute. Bear in mind that the President of the United States has sent to the Congress a message suggesting that War Assets be wound up. When? The 30th of June this year.

I think myself that real estate should be transferred, as the President of the United States recommended, to the Public Buildings and Grounds Administration, the old-line governmental agency that deals in real estate. After all, the RFC is quite capable of handling this, because, bear in mind, that when it comes to dollar value the biggest part of this real estate is in plants, factories, and so forth; and the RFC itself built most of these factories and plants.

But let me say this further, and I think I can speak for the committee: If the House leaves the bill as it is now, and we go over to the Senate and it is suggested by the Senate that the RFC be eliminated from the picture and in its stead the Public Buildings and Grounds Administration be substituted—if the Senate takes that action, I think our committee will go along with them.

Frankly, this War Assets proposition has been a terrible headache to everybody. I think War Assets has done a fairly good job. I am not going to be too critical of them. I think a mistake was made by all of us in writing the original

bill. I think that the procurement agencies, like Army, Navy, Air, and so forth, should have their own disposal agencies. Why? Because they bought this property. They know more about the value of it than anybody else.

There is about \$900,000,000 worth of airplanes and airplane parts. Who knows more about the disposition of airplanes than the Air Force which bought them, procured them, and build them? It makes common horse sense to turn it back to them and let them dispose of them.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. HOLIFIELD. Under existing law the Air Force cannot sell that material except for scrap or salvage.

Mr. THOMAS of Texas. Let us be perfectly frank about it. This agency expires by operation of law in December of 1949.

Mr. HOLIFIELD. That is right.

Mr. THOMAS of Texas. We have about 60 days before this act goes into effect. If there is any trouble about this thing—and I am not sure the gentleman is right on that point—but we can correct this thing some time soon.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. HOLIFIELD. Does the gentleman mean to tell the House that there is a possibility of taking this matter up legislatively in the eight remaining legislative days?

Mr. THOMAS of Texas. I do not intimate that. I understand there is some possibility of coming back here between now and Christmas. But I am not sure that the gentleman is right in his point.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield briefly?

Mr. THOMAS of Texas. I yield.

Mr. PHILLIPS of California. I am quite sure the gentleman is not right because lines 16, 17, and 18 on page 17 provide that these agencies dispose of it exactly as the War Assets Administration disposed of it.

Mr. THOMAS of Texas. That is right.

Mr. HOLIFIELD. According to existing law.

Mr. THOMAS of Texas. Mr. Chairman, it makes sense to turn the property back to the Army Air Forces. It has very little dollars and cents value. It has been said that in the sale of electronic equipment and such material the return to the Government has been 40 to 60 percent. I wish that were true, but I am sorry to say that we are paying our agents 40 to 60 percent, and the net return to the Government is less than 15 percent.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Mr. Chairman, as I understand it, the Hoffman amendment is offered in the form of a substitute. If it is adopted, then there will

be no vote on the Holifield amendment; is that correct?

The CHAIRMAN. There will be a vote on the Holifield amendment as amended by the substitute.

Mr. HOLIFIELD. There will be a vote on the Holifield amendment as amended by the Hoffman amendment?

The CHAIRMAN. If the Hoffman substitute is adopted, of course that will wipe out the language of the gentleman's amendment.

Mr. HOLIFIELD. If the Hoffman substitute is adopted, there will be no vote on the Holifield amendment?

The CHAIRMAN. Not as to the language as written in the Holifield amendment.

Mr. HOLIFIELD. Then in order to get a vote on the Holifield amendment, the Hoffman amendment would have to be voted down.

The CHAIRMAN. The gentleman is correct.

The question is on the substitute offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 108, noes 57.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended.

The amendment as amended was agreed to.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 17, line 1, strike out all of pages 17, 18, 19, and lines 1 to 22 on page 22, and insert:

"For administrative expenses in connection with the functions authorized to be administered by the War Assets Administration to be available for the same purposes as the appropriation for salaries and expenses, War Assets Administration, fiscal year 1948, \$50,000,000, from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, to be allocated as the Director of the Bureau of the Budget may determine."

Mr. PHILLIPS of California. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. PHILLIPS of California. Mr. Chairman, the point of order is, of course, that the gentleman's amendment tries to strike out language which has already been stricken from the bill and is, therefore, not in order.

Mr. MONRONEY. Mr. Chairman, I ask to be heard on the point of order.

Mr. PHILLIPS of California. The language is perfected by the Hoffman substitute.

Mr. MONRONEY. Mr. Chairman, the proposition encompassed in the Holifield amendment involves a \$90,000,000 appropriation. The language changed by the Hoffman substitute merely added one small section to one small segment of the bill.

My amendment leaves the amount as recommended by the Committee on Appropriations absolutely unchanged and merely strikes out the legislative lan-

guage that is contained on pages 17 to 20. It is an entirely different proposition and has not been passed on by the House.

It will leave the amount that the Committee on Appropriations is recommending exactly the same but strikes out what I consider to be objectionable legislative changes and a dispersment of duties over three agencies instead of one. I believe the amendment is in order.

Mr. CASE of South Dakota. Mr. Chairman, I make the further point of order against the amendment, in addition to it being legislation on an appropriation bill, in that it carries language "to be allocated as the Director of the Bureau of the Budget may determine," which imposes additional duties.

The CHAIRMAN. The Chair holds that the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY] does not constitute legislation on an appropriation bill, and for that reason and other reasons, the Chair overrules the point of order.

Mr. PHILLIPS of California. Will the Chair rule on the point of order made by the gentleman from South Dakota that it imposes additional duties outside the scope of the bill?

The CHAIRMAN. The Chair took that into consideration and that point of order is overruled.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 67, noes 115.

So the amendment was rejected.

Mr. WIGGLESWORTH. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WIGGLESWORTH: Page 23, after line 17, insert a new section, as follows:

"Sec. 105. The last paragraph under the heading 'Public Buildings Administration' in Public Law 491, Eightieth Congress, is hereby amended to read as follows:

"No part of the foregoing appropriations to the Federal Works Agency shall be used for the purpose of converting any existing coal heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia where there is a fuel oil shortage."

Line 18, change the section number to read "section 106."

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Chairman, I want to urge support for this amendment since it is a definite effort to correct a clerical error in the passage of Public Law 491 at this session. When that bill, H. R. 5214, came before the House on February 4, I offered an amendment which is printed in the second column of page 119 of the Record. In the statement I made at that time, I reported that the gentleman from Texas [Mr. THOMAS] had indicated that he would prefer that I should add to the original text of the amendment I had prepared the words,

"in areas where there is a fuel-oil shortage." However, it appears in the Record that the word "when" was used instead of the word "where" and in Public Law 491, which was approved April 20, the erroneous word "when" also appears in title I, the last paragraph on page 9.

It is my understanding that this error has brought about some unfortunate results in parts of the South where it is expensive and uneconomical to bring coal from some distances to points where there is an amply supply of both heating oil and natural gas. Certainly, the clear purpose of the additional words suggested by the gentleman from Texas [Mr. THOMAS] was to avoid just that sort of a condition. In my discussions of the problem of the committee's intention with reference to other appropriation bills I have attempted to make it clear that it was my purpose and I felt the purpose of the various subcommittees to emphasize the absolute necessity of eliminating conversions from coal-heating units to oil-heating units, or the installation of new oil-heating units unless it could be clearly demonstrated that such action was completely sound and economical, having in mind the facts with reference to the oil supply in this country.

I recognize that section 103 of this bill subjects all funds appropriated herein to the general provisions of titles I and II of the Independent Offices Appropriation Act, 1949, and consequently that this limitation as it was adopted in Public Law 491 would apply as to the funds we are appropriating today. But I do think, in fairness to the gentleman from Texas [Mr. THOMAS], and in fairness to our colleagues from areas where ample supplies do exist, where heating by coal may be uneconomic and unwise, this explanation should be made, and I hope the committee amendment will be adopted unanimously.

Under permission which I shall seek in the House, I do want to furnish the Members with a report which was delivered to me this morning in a letter from Maj. Gen. Philip B. Fleming, Administrator of the Federal Works Agency. I hope the letter and the data General Fleming has provided me will be a source of encouragement to you, as it is to me. In my judgment, it proves the wisdom of the insistence upon conservation of heating oils by the Federal Government in operating its own properties, whether owned directly or held under lease. It also proves the soundness of the recommendation to this effect made by the subcommittee of the Massachusetts delegation last December. The amount of fuel oil which will apparently be saved annually in terms of this report from General Fleming is 7,763,055 gallons. Added to the previous reports, the grand total of estimated annual savings appears to be 68,188,055 gallons. Certainly this has been a constructive effort, and the various agencies are to be commended. Nevertheless, I think the very success of this effort is a good argument for continued insistence by the Congress upon the policy practically every subcommittee of the Appropriations Committee has approved.

General Fleming's letter and the report follow:

FEDERAL WORKS AGENCY,
Washington, June 8, 1948.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: Your letter of May 24 addressed to Dr. John R. Steelman, inquiring as to the results obtained by the efforts of this Agency to cause the various Government departments and agencies to reduce their use of fuel oil by converting to coal has been referred to me for reply.

As a result of the meetings held in my office of representatives of the various Government departments and agencies regarding the surveys that were conducted by these organizations, a letter was addressed to each of them on February 5, 1948, which included the following request: "I will appreciate your advice by March 1 as to the number of plants which have been converted by that time, as well as the number that are in progress and the estimated saving of oil on an annual basis." There is attached hereto a statement combining the information contained in the replies received to my letter of February 5. It will be noted that the savings reported in this attachment are in addition to those which have previously been furnished.

Sincerely yours,

PHILIP B. FLEMING,
Major General, United States Army,
Administrator.

ADVICE RECEIVED FROM AGENCIES OF CONVERSIONS,
NOT PREVIOUSLY REPORTED, FROM OIL- TO
COAL-BURNING EQUIPMENT

1. Letter from Coast Guard, dated February 16, 1948, reported that two projects which were underway for converting from coal to oil were halted as follows:

	Gallons per year
(a) Constitution Wharf, Boston, Mass-----	175,000
(b) St. George Base, Staten Island, N. Y-----	190,000

2. Federal Works Agency, Public Buildings Administration, reported on February 25, 1948, the following conversions:

Buildings and estimated annual savings	Gallons
301 Independence Ave., Washington, D. C-----	4,650
811 Vermont Ave., Washington, D. C-----	150,000
711 12th St., Washington, D. C-----	58,000
515 22d St., Washington, D. C-----	8,000
1201 Connecticut Ave., Washington, D. C-----	15,000
1624 H St., Washington, D. C-----	14,000
1626 K St., Washington, D. C-----	28,700
705 Columbia Pike, Arlington, Va-----	34,000

Total ----- 312,350

3. The Veterans' Administration advised on February 26, 1948, that they had canceled a contract calling for the conversion of one plant from coal to oil. This plant would have consumed 300,000 gallons of oil per year. Likewise reported was the fact that at four veterans' hospitals, which have facilities for burning oil or coal, orders have been issued to use coal exclusively except in emergencies or under peak load conditions. It is estimated that this action will save approximately 2,350,000 gallons of oil per year.

4. The Navy reported on February 28, 1948, that they would use coal instead of oil at the Naval Supply Depot and Shipyard Annex, Bayonne, N. J., at a saving of 30,000 barrels per year. They also reported by letter of March 10, 1948, that an installation at the Naval Air Material Center, Philadelphia, had been converted to coal and the annual saving in this case would be 35,000 barrels.

5. The Chief of Engineers, War Department, reported on March 1, 1948, that they had converted by that date plants at the

Watervliet Arsenal, N. Y., and the Quartermaster Depot in Boston to the use of coal, and the Red River Ordnance, Tex., and Fort Baker Hospital, Calif., to the use of gas, at an estimated annual saving of 2,418,300 gallons of oil. They likewise reported that projects are being prepared for three other locations to be accomplished upon availability of funds, which conversions, it is estimated, will result in an annual saving of 1,823,000 gallons.

6. The Department of Agriculture reported on March 3, 1948, that they had by that date converted 11 plants, that they intended to convert 90 more as soon as practicable and that the estimated annual saving of oil amounted to 129,405 gallons.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CASE of South Dakota) there were—ayes 91, noes 21.

So the amendment was agreed to.

Mr. WIGGLESWORTH. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WIGGLESWORTH. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GRANGER asked and was given permission to revise and extend his remarks.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow and Friday after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 30 minutes on each day.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mr. KLEIN (at the request of Mr. MULTER) was given permission to extend his remarks in the RECORD in two instances.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD on the subject Excise Taxes on Radio Tubes and Bulbs Are a Hardship for the American Citizens.

AMENDING TITLE X OF THE SOCIAL
SECURITY ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6818) to amend title X of the Social Security Act (relating to aid to the blind) so as to provide greater encouragement to blind recipients thereunder to become self-supporting.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 1002 of the Social Security Act is amended by inserting the following before the semicolon in clause (8) thereof: "except that the State may, in determining the income and resources of an individual, disregard any payments, not in excess of \$40, received in any calendar month by an individual for services performed by him."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. VURSELL. Mr. Speaker, on yesterday when the Railroad Retirement Act was under consideration, I received permission to extend my remarks in the RECORD. I was unable to prepare my remarks in time for printing in the RECORD of yesterday and now ask unanimous consent that my remarks be extended in the permanent RECORD as of yesterday, June 8.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BRADLEY asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include an article from the New York Herald Tribune, the San Francisco Call-Bulletin, and a letter from the

80TH CONGRESS
2D SESSION

H. R. 6829

IN THE SENATE OF THE UNITED STATES

JUNE 10 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on Appropriations

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus,
6 boards, commissions, and offices, for the fiscal year ending
7 June 30, 1949, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: For expenses necessary for the Office of Defense Transportation, including salary of the Director at not to exceed \$12,000, and the Deputy Director at \$10,000; personal services in the District of Columbia; not to exceed \$54,000 for travel expenses, including expenses of attendance at meetings concerned with the work of the agency; not to exceed \$6,500 for printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; \$340,000, of which \$60,000 shall be available exclusively for terminal-leave payments: *Provided*, That the foregoing amounts may be obligated during the period ending February 28, 1949: *Provided further*, That the payment of subsistence to witnesses shall be subject to certification by the Director of the Office of Defense Transportation or his designee, as to the necessity therefor: *Provided further*, That in operating any commercial railroad or truck line the Office of Defense Transportation shall pay whatever license or inspection fees and highway use compensation taxes such lines would have been obligated to pay had they continued in operation under the control of the owners thereof.

ATOMIC ENERGY COMMISSION

For expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, including personal services in the District of Columbia and employment of aliens; purchase of land and interests in land; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; purchase of passenger motor vehicles for replacement only; purchase, maintenance, and operation of aircraft; printing and binding; health-service program as authorized by law (5 U. S. C. 150) ; publication and dissemination of atomic information; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921) ; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals and travel expenses; and payment of obligations incurred under prior year contract authorizations; \$501,850,000, of which amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended; from which appropriation transfers of sums may be made to other agencies of the Government for the performance of the work

1 for which this appropriation is made, and in such cases the
2 sums so transferred may be merged with the appropriation
3 to which transferred; and in addition to the amount herein
4 provided, the Commission is authorized to contract for the
5 purposes of this appropriation during the fiscal year in
6 an amount not exceeding \$400,000,000: *Provided*, That no
7 part of this appropriation shall be used to pay the salary of
8 any officer or employee (except such officers and employees
9 whose compensation is fixed by law, and scientific and tech-
10 nical personnel) whose position would be subject to the
11 Classification Act of 1923, as amended, if such Act were
12 applicable to such position, at a rate in excess of the rate
13 payable under such Act for positions of equivalent difficulty
14 or responsibility.

15 HOUSING EXPEDITER

16 Salaries and expenses, Office of the Housing Expediter:
17 For expenses necessary to carry out the functions of the
18 Office of the Housing Expediter, including personal services
19 in the District of Columbia; attendance at meetings of organ-
20 izations concerned with rent control; hire of passenger motor
21 vehicles; printing and binding; services as authorized by
22 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
23 not to exceed \$5,000 for payment of claims pursuant to sec-
24 tion 403 of the Federal Tort Claims Act (28 U. S. C. 921) ;
25 and health service program as authorized by law (5 U. S. C.

1 150) ; \$15,172,100: *Provided*, That the foregoing amounts
2 may be obligated during the period ending March 31, 1949:
3 *Provided further*, That any employee of the Office of the
4 Housing Expediter is authorized and empowered, when
5 designated for the purpose by the Housing Expediter, to
6 administer to or take from any person an oath, affirmation,
7 or affidavit when such instrument is required in connection
8 with the performance of the functions or activities of the
9 Housing Expediter.

10 UNITED STATES MARITIME COMMISSION

11 Salaries and expenses: For expenses necessary for carry-
12 ing into effect the Merchant Marine Act, 1936, and other laws
13 administered by the United States Maritime Commission,
14 \$68,360,775, within limitations as follows:

15 Administrative expenses, including personal services in
16 the District of Columbia; printing and binding; not to exceed
17 \$2,000 for newspapers and periodicals; not to exceed \$18,750
18 for services as authorized by section 15 of the Act of August
19 2, 1946 (5 U. S. C. 55a) ; and not to exceed \$1,125 for
20 entertainment of officials of other countries when specifically
21 authorized by the Chairman; in all, not to exceed
22 \$10,600,000: *Provided*, That during the fiscal year ending
23 June 30, 1949, the salaries of the Commissioners of the
24 United States Maritime Commission with the exception of
25 the Chairman, shall be at the rate of \$10,000 each per annum;

1 New ship construction, including reconditioning and
2 betterment, \$29,000,000; and, in addition, the Commis-
3 sion is authorized to enter into contracts for new ship con-
4 struction in an amount not to exceed \$75,000,000: *Pro-*
5 *vided*, That all authority granted to incur obligations for
6 these purposes during 1948 and prior fiscal years not exer-
7 cised prior to July 1, 1948, is hereby revoked, except that
8 not to exceed \$99,000,000 of the funds appropriated for
9 "New ship construction, reconditioning, and betterment" in
10 the Independent Offices Appropriation Act, 1948, shall
11 continue to be available until September 30, 1948;

12 Maintenance of shipyard facilities, \$529,000;

13 Operation of warehouses, \$792,000;

14 Operating-differential subsidies, \$16,691,775: *Provided*,
15 That to the extent that the operating-differential subsidy
16 accrual (computed on the basis of parity) is represented on
17 the operator's books by a contingent accounts receivable
18 item against the Commission as a partial or complete offset
19 to the recapture accrual, the operator (1) shall be excused
20 from making deposits in the Special Reserve Fund and,
21 (2) as to the amount of such earnings the deposit of which
22 is so excused, shall be entitled to the same tax treatment as
23 though it had been deposited in said Special Reserve Fund.
24 To the extent that any amount paid to the operator by the
25 Commission reduces the balance in the operator's contingent

1 receivable account against the Commission, such amount,
2 unless it is forthwith deposited in the fund, shall be con-
3 sidered as withdrawn under Section 607 (h) of the Mer-
4 chant Marine Act, 1936, as amended;

5 Reserve fleet expense, \$9,663,000; .

6 Maintenance and operation of terminals, \$585,000;

7 Miscellaneous expenses, including payment of claims
8 pursuant to section 403 of the Federal Tort Claims Act
9 (28 U. S. C. 921), \$500,000.

10 Whenever, in connection with any transaction involving
11 the sale, purchase, or requisition of any vessel, the United
12 States shall be or become obligated to pay any sum to the
13 other party to the transaction and said other party shall be
14 or is indebted to the United States on account of any transac-
15 tion involving the sale, purchase, or requisition of any vessel
16 the amount so owing to the United States shall be deducted
17 from the amount due the other party, and hereafter no officer
18 or employee of the Government shall pay to such other party
19 a sum greater than the net amount owing the other party.

20 Maritime training: For training personnel for the man-
21 ning of the merchant marine (including operation of training
22 stations at Kings Point, New York; Sheepshead Bay, New
23 York; Pass Christian, Mississippi; Saint Petersburg,
24 Florida; and Alameda, California), including not to
25 exceed \$3,300,000 for personal services (exclusive

1 charged with the cost thereof: *Provided*, That rental pay-
2 ments under any such lease, contract, or occupancy on
3 account of items other than such utilities, services, or re-
4 pairs shall be covered into the Treasury as miscellaneous
5 receipts.

6 The United States Maritime Commission shall not incur
7 any obligations during the fiscal year 1949 from the con-
8 struction fund established by the Merchant Marine Act,
9 1936, or otherwise, in excess of the appropriations and limi-
10 tations contained in this Act: *Provided*, That nothing con-
11 tained herein and in the Independent Offices Appropriation
12 Act, 1948, shall be construed to affect the authority of the
13 Commission pursuant to the provisions of section 603 (a) of
14 the Merchant Marine Act, 1936, as amended, (1) to grant
15 operating differential subsidies on a long-term basis and
16 (2) to obligate the United States to make future payments
17 in accordance with the terms of such operating-differential
18 subsidy contracts, and all receipts which otherwise would
19 be deposited to the credit of said fund shall be covered into
20 the Treasury as miscellaneous receipts: *Provided further*,
21 That hereafter the Commission may make allowances to pur-
22 chasers of vessels for cost of putting such vessels in class, such
23 allowances to be determined on the basis of competitive bids,
24 without regard to the provisions of the last paragraph of
25 section 3 (d) of the Merchant Ship Sales Act of 1946.

1 VETERANS' ADMINISTRATION

2 Administration, medical, hospital, and domiciliary
3 services: For necessary expenses of the Veterans' Admin-
4 istration, including maintenance and operation of medical,
5 hospital, and domiciliary services, in carrying out the func-
6 tions pursuant to all laws for which the Administration is
7 charged with administering, including personal services in
8 the District of Columbia; examination of estimates of appro-
9 priations in the field, including actual expenses of subsistence
10 or per diem allowance in lieu thereof; furnishing and laun-
11 dering of such wearing apparel as may be prescribed for
12 employees in the performance of their official duties; health
13 service program as authorized by law (5 U. S. C. 150) ;
14 purchase of three hundred and ninety passenger motor
15 vehicles, of which two hundred and twenty-eight shall be
16 for replacement only; utilization of Government-owned auto-
17 motive equipment in transporting children of Veterans' Ad-
18 ministration employees located at isolated stations to and
19 from school under such limitations as the Administrator may
20 by regulation prescribe; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; mainte-
22 nance and operation of farms; recreational articles and
23 facilities at institutions maintained by the Veterans' Admin-
24 istration; expenses incidental to securing employment for
25 war veterans; funeral, burial, and other expenses incidental

1 thereto for beneficiaries of the Veterans' Administration ex-
2 cept burial awards authorized by Veterans' Administration
3 Regulation Numbered 9 (a), as amended; the purchase of
4 tobacco to be furnished, subject to regulations of the Admin-
5 istrator, to veterans receiving hospital treatment or domi-
6 ciliary care in Veterans' Administration hospitals or homes;
7 aid to State or Territorial homes in conformity with the Act
8 approved August 27, 1888, as amended (24 U. S. C. 134),
9 for the support of veterans eligible for admission to Veterans'
10 Administration facilities for hospital or domiciliary care; the
11 purchase of printed reduced-fare requests for use by veterans
12 when traveling at their own expense from or to Veterans'
13 Administration facilities; not to exceed \$5,765 for news-
14 papers and periodicals; and not to exceed \$57,905 for the
15 preparation, shipment, installation, and display of exhibits,
16 photographic displays, moving pictures, and other visual
17 educational information and descriptive material, including
18 the purchase or rental of equipment; \$936,755,000, from
19 which allotments and transfers may be made to the Federal
20 Security Agency (Public Health Service), the Army, Navy,
21 and Interior Departments, for disbursement by them under
22 the various headings of their applicable appropriations, of
23 such amounts as are necessary for the care and treatment of
24 beneficiaries of the Veterans' Administration, including minor
25 repairs and improvements of existing facilities under their

1 jurisdiction necessary to such care and treatment: *Provided*,
2 That no part of this appropriation shall be used to pay in
3 excess of one hundred persons engaged in public relations
4 work: *Provided further*, That no part of this appropriation
5 shall be expended for the purchase of any site for or toward
6 the construction of any new hospital or home, or for the pur-
7 chase of any hospital or home; and not more than \$8,534,800
8 of this appropriation may be used to repair, alter, improve,
9 or provide facilities in the several hospitals and homes under
10 the jurisdiction of the Veterans' Administration either by
11 contract or by the hire of temporary employees and the
12 purchase of materials.

13 Printing and binding: For printing and binding,
14 \$3,148,000.

15 Tort claims: For payment of claims pursuant to section
16 403 of the Federal Tort Claims Act (28 U. S. C. 921),
17 \$15,000.

18 Pensions: For the payment of compensation, pensions,
19 gratuities, and allowances (including subsistence allowances
20 authorized by part VII of Veterans Regulation 1a, as
21 amended), authorized under any Act of Congress, or regu-
22 lation of the President based thereon, including emergency
23 officers' retirement pay and annuities, the administration
24 of which is now or may hereafter be placed in the Veterans'

1 Administration, and for the payment of adjusted-service
2 credits as provided in sections 401 and 601 of the Act of
3 May 19, 1924, as amended (38 U. S. C. 631 and 661),
4 \$1,898,000,000, to be immediately available and to remain
5 available until expended.

6 Readjustment benefits: For the payment of benefits to
7 or on behalf of veterans as authorized by titles II, III, and
8 V, of the Servicemen's Readjustment Act of 1944,
9 \$1,979,027,000, to be immediately available and to remain
10 available until expended: *Provided*, That no part of this
11 appropriation for education and training under title II of
12 the Servicemen's Readjustment Act, as amended, shall be
13 expended for tuition, fees, or other charges, or for subsistence
14 allowance, for any course elected or commenced by a veteran
15 on or subsequent to July 1, 1948, and which is determined
16 by the Administrator to be avocational or recreational in
17 character. For the purpose of this proviso, training for the
18 purpose of teaching a veteran to fly in connection with his
19 business or occupation in which he is now engaged or for
20 which he is training shall not be considered avocational or
21 recreational.

22 Military and naval insurance: For military and naval
23 insurance, \$5,096,000, to be immediately available and to
24 remain available until expended.

25 Hospital and domiciliary facilities: For hospital and

1 domiciliary facilities, \$202,000,000, to remain available until
2 expended for the payment of obligations heretofore or
3 herein authorized to be incurred under this head, and, in
4 addition, the Administrator of Veterans' Affairs is authorized
5 to incur obligations prior to July 1, 1950, in an amount
6 not exceeding \$43,000,000, for extending, with the approval
7 of the President, any of the facilities under the jurisdiction
8 of the Veterans' Administration or for any of the purposes
9 set forth in sections 1 and 2 of the Act approved March 4,
10 1931 (38 U. S. C. 438j-k), or in section 101 of the
11 Servicemen's Readjustment Act of 1944 (38 U. S. C.
12 693a) : *Provided*, That the authority contained in the Third
13 Urgent Deficiency Appropriation Act, 1946, and in the
14 Independent Offices Appropriation Act, 1948, to incur obli-
15 gations for the purposes of this appropriation is hereby
16 extended to July 1, 1950: *Provided further*, That not to
17 exceed 6.7 per centum of the foregoing appropriation and
18 contract authorizations shall be available for the employ-
19 ment in the District of Columbia and in the field of all
20 necessary technical and clerical personnel for the preparation
21 of plans and specifications for the projects as approved here-
22 under and in the supervision of the execution thereof, and
23 for all travel expenses, field office equipment, and supplies
24 in connection therewith, except that whenever the Veterans'
25 Administration finds it necessary in the construction of any

1 project to employ other Government agencies or persons
2 outside the Federal service to perform such services not
3 to exceed 10 per centum of the cost of such projects may be
4 expended for such services: *Provided further*, That, not-
5 withstanding any other provision of law, the Administrator
6 of Veterans' Affairs may select a site and construct a hospital
7 thereon in Arlington County, Virginia.

8 National service life insurance: For the payment of
9 benefits and for transfer to the national service life insurance
10 fund, in accordance with the National Service Life Insurance
11 Act of 1940, as amended, \$49,320,000, to be immediately
12 available and to remain available until expended: *Provided*,
13 That certain premiums shall be credited to this appropriation
14 as provided by the Act.

15 Soldiers' and sailors' civil relief: For payment of claims
16 as authorized by article IV of the Soldiers' and Sailors' Civil
17 Relief Act amendments of 1942, \$65,000, to be immediately
18 and continuously available until expended: *Provided*, That
19 any moneys received as repayment of debts incurred under
20 said article IV shall be credited to this appropriation.

21 Veterans' miscellaneous benefits: For the payment of
22 burial awards authorized by Veterans' Administration Regu-
23 lation Numbered 9 (a), as amended, and for supplies,
24 equipment, and tuition authorized by part VII of Veterans'

1 Administration Regulation Numbered 1 (a), as amended,
2 \$51,883,000, to remain available until expended.

3 No part of the foregoing appropriations shall be available
4 for hospitalization or examination of any persons except
5 beneficiaries entitled under the laws bestowing such benefits
6 to veterans, unless reimbursement of cost is made to the ap-
7 propriation at such rates as may be fixed by the Adminis-
8 trator of Veterans' Affairs.

9 SURPLUS PROPERTY DISPOSAL

10 Effective August 31, 1948, the War Assets Administra-
11 tion shall cease to exist as an agency of the Government
12 and its affairs, functions, and responsibilities shall thereafter
13 be disposed of and liquidated in accordance with the
14 following:

15 (1) All right, title, and interest in surplus real prop-
16 erty and all right, title, and interest in notes, mortgages,
17 and contracts of sale or lease in connection with surplus real
18 property shall be transferred to the Reconstruction Finance
19 Corporation to be held and disposed of by such Corporation
20 in accordance, except as provided herein, with the terms
21 of the Surplus Property Act of 1944, as amended;

22 (2) All aircraft and aircraft parts shall be transferred
23 to the Department of the Air Force to be held and disposed
24 of by such Department in accordance, except as provided

1 herein, with the terms of the Surplus Property Act of 1944,
2 as amended;

3 (3) All personal property (other than aircraft and
4 aircraft parts), except such as may be necessary to the
5 liquidation of the War Assets Administration or the exercise
6 of the functions transferred herein, shall be transferred
7 to the Bureau of Federal Supply, Treasury Department, to
8 be held and disposed of by such Bureau in accordance, ex-
9 cept as provided herein, with the terms of the Surplus
10 Property Act of 1944, as amended;

11 (4) Except as necessary to the administration of the
12 functions herein transferred to the Department of the Air
13 Force, the Reconstruction Finance Corporation, and the
14 Bureau of Federal Supply, all administrative property,
15 records, and accounts of the War Assets Administration
16 shall be transferred to the Treasury Department for liquida-
17 tion of the affairs of the War Assets Administration;

18 (5) Such administrative property, records, and per-
19 sonnel of the War Assets Administration as determined by
20 the Director of the Bureau of the Budget to be necessary
21 to the administration of any of the functions herein trans-
22 ferred shall be transferred to the agency to which such
23 function is transferred: *Provided*, That the right to reten-
24 tion in employment by the Government of the personnel so
25 transferred shall be neither greater nor less than such right

1 would have been had the War Assets Administration con-
2 tinued as an independent agency of the Government;

3 (6) The provisions of section 9 of the Reorganization
4 Act of 1945 (Public Law 263, Seventy-ninth Congress)
5 shall apply to the transfers effected by this paragraph in like
6 manner as if such transfer were a reorganization of the agen-
7 cies and functions concerned under the provisions of that
8 Act;

9 (7) Priorities and preferences provided for in the Sur-
10 plus Property Act of 1944, as amended, shall not continue
11 beyond August 31, 1948, as to the disposal of personal
12 property but shall continue as to the disposal of real estate;

13 (8) The agencies herein authorized to dispose of surplus
14 personal property may, after August 31, 1948, transfer any
15 of such property without charge to any other agency of the
16 Government if such property, by such transfer, can be put
17 to public use by the transferee agency;

18 (9) The agencies herein authorized to dispose of sur-
19 plus property shall proceed with due diligence and use all
20 reasonable means within the purview of this Act and the
21 Surplus Property Act of 1944, as amended, to accomplish
22 such purpose at the earliest practicable date and shall report
23 to the Committees on Appropriations of the Senate and the
24 House of Representatives at the end of each month as to
25 progress made;

1 (10) The Secretary of the Treasury, the Secretary of
2 the Air Force, or the Chairman of the Board of Directors
3 of the Reconstruction Finance Corporation may authorize
4 the abandonment, destruction, or donation to public bodies
5 of personal property herein transferred to their respective
6 agencies which has no commercial value or the estimated
7 cost of care and handling of which would exceed the estimated
8 proceeds from its sale;

9 (11) The Surplus Property Act of 1944, as amended,
10 shall not apply to property of the Government which has
11 not been declared surplus under the terms of such Act as of
12 the date of enactment hereof and any such property deter-
13 mined to be surplus shall be disposed of in accordance with
14 the terms of other existing law.

15 For administrative expenses in connection with the func-
16 tions herein authorized to be administered by the War
17 Assets Administration, the Treasury Department, the Depart-
18 ment of the Air Force and the Reconstruction Finance
19 Corporation, to be available for the same purposes as the
20 appropriation for salaries and expenses, War Assets Admin-
21 istration, fiscal year 1948, and whenever in such appropria-
22 tion the title "War Assets Administrator" appears it shall be
23 construed to include his successor as to any of the functions
24 herein transferred, \$50,000,000, from the special fund ac-
25 count in the Treasury as provided for in the First Deficiency

1 Appropriation Act, 1946, to be allocated as the Director of
2 the Bureau of the Budget may determine: *Provided*, That
3 the sum herein provided may be obligated during the period
4 ending August 31, 1948, with respect to the War Assets
5 Administration, and during the period ending March 31,
6 1949, with respect to the other agencies involved.

7 GENERAL PROVISIONS

8 SEC. 102. No part of any appropriation contained in
9 this Act shall be used to pay the salary or wages of any
10 person who engages in a strike against the Government of
11 the United States or who is a member of an organization of
12 Government employees that asserts the right to strike against
13 the Government of the United States, or who advocates, or
14 is a member of an organization that advocates, the over-
15 throw of the Government of the United States by force
16 or violence: *Provided*, That for the purposes hereof an
17 affidavit shall be considered prima facie evidence that
18 the person making the affidavit has not contrary to the
19 provisions of this section engaged in a strike against the
20 Government of the United States, is not a member of an
21 organization of Government employees that asserts the
22 right to strike against the Government of the United States,
23 or that such person does not advocate, and is not a member of
24 an organization that advocates, the overthrow of the Govern-
25 ment of the United States by force or violence: *Provided*

1 *further*, That any person who engages in a strike against the
2 Government of the United States or who is a member of an
3 organization of Government employees that asserts the right
4 to strike against the Government of the United States, or who
5 advocates, or who is a member of an organization that advo-
6 cates, the overthrow of the Government of the United States
7 by force or violence, and accepts employment the salary or
8 wages for which are paid from any appropriation contained
9 in this Act shall be guilty of a felony and, upon conviction,
10 shall be fined not more than \$1,000 or imprisoned for not
11 more than one year, or both: *Provided further*, That the
12 above penalty clause shall be in addition to, and not in sub-
13 stitution for, any other provisions of existing law.

14 SEC. 103. The funds appropriated herein shall be subject
15 to the general provisions of titles I and II of the Independent
16 Offices Appropriation Act, 1949.

17 SEC. 104. Section 207 of the Independent Offices Ap-
18 propriation Act, 1949, is hereby amended to read as follows:

19 "SEC. 207. Any appropriations or funds available to
20 the executive departments, independent establishments, and
21 wholly owned Government corporations for the payment of
22 salaries and compensation to persons stationed outside the
23 continental United States or in Alaska whose rates of basic
24 compensation are fixed by statute, shall be available for the
25 payment of additional compensation to such persons, based

1 on living costs substantially higher than in the District of
2 Columbia, or conditions of environment which differ sub-
3 stantially from conditions of environment in the States and
4 warrant additional compensation as a recruitment incentive,
5 or both such factors: *Provided*, That such additional com-
6 pensation, except as otherwise specifically authorized by
7 law, shall be paid only in accordance with regulations
8 prescribed by the President establishing rates of such addi-
9 tional compensation and defining the area, groups of posi-
10 tions, and classes of persons to which each such rate applies:
11 *Provided further*, That no additional compensation based
12 on living costs substantially higher than in the District of
13 Columbia shall be paid under this section to any person who
14 is entitled to receive a cost-of-living allowance under section
15 901 (2) of the Foreign Service Act of 1946 or section
16 204 of this Act: *Provided further*, That such additional
17 compensation shall not exceed in any instance 25 per centum
18 of the rate of basic compensation: *Provided further*, That
19 this section shall be effective sixty days after the date of
20 approval of this Act, or on such earlier date as may be
21 specified in regulations issued by the President hereunder,
22 and additional compensation payable under regulations and
23 procedures in effect on the date of approval of this Act may
24 continue to be paid until the effective date of this section.”

25 SEC. 105. The last paragraph under the heading “Public

1 Buildings Administration" in Public Law 491, Eightieth
2 Congress, is hereby amended to read as follows:

3 "No part of the foregoing appropriations to the Federal
4 Works Agency shall be used for the purpose of converting
5 any existing coal heating units to oil or natural gas in any
6 federally owned or rented buildings in or outside the District
7 of Columbia where there is a fuel oil shortage."

8 SEC. 106. This Act may be cited as "The Supplemental
9 Independent Offices Appropriation Act, 1949."

Passed the House of Representatives June 9, 1948.

Attest:

JOHN ANDREWS,

Clerk.

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

JUNE 10 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on
Appropriations

Calendar No. 1824

H CONGRESS }
72d Session }

SENATE

{ REPORT
{ No. 1758

SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL, 1949

JUNE 17 (legislative day, JUNE 15), 1948.—Ordered to be printed

REED, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6829]

The Committee on Appropriations, to whom was referred the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House..... \$5, 795, 048, 931

Amount of increase by Senate (net)..... 59, 734, 920

Amount of bill as reported to Senate..... 5, 854, 783, 851

Amount of appropriations, 1948..... 7, 636, 985, 350

Amount of regular and supplemental estimates, 1949.. 6, 299, 809, 000

The bill as reported to the Senate:

Under the estimates for 1949..... 445, 025, 149

Under the appropriations for 1948..... 2, 210, 467, 273

GENERAL STATEMENT

While designated as a supplemental appropriation bill, the bill as reported to the Senate contains the regular appropriations for 1949 for the following agencies:

Office of Defense Transportation

Atomic Energy Commission

Office of the Housing Expediter

United States Maritime Commission

Veterans' Administration

War Assets Administration (surplus property disposal)

The regular appropriations for other independent establishments for the year 1949 are contained in H. R. 5214, enacted into Public Law No. 491, approved April 20, 1948.

OFFICE OF DEFENSE TRANSPORTATION

The committee is of the opinion that the program of the agency is entering its final phase, barring the possibility of an emergency. The committee has therefore denied the request for an increase over the amount allowed in the House bill, and operation of the agency beyond February 28, 1949.

ATOMIC ENERGY COMMISSION

The committee recommends \$521,850,000 for salaries and expenses for the Atomic Energy Commission. This amount represents an increase of \$20,000,000 over the House allowance and is \$28,150,000 under the budget estimate of \$550,000,000.

The committee has not allocated the increase allowed to specific programs of the Commission, preferring to provide some flexibility in the operation. It is the opinion of the committee that the increase is adequate to carry out all programs effectively.

A limitation of \$8,000 has been recommended for purchase of newspapers and periodicals to enable the Commission to purchase necessary publications in connection with its responsibility to control the dissemination of restricted information.

The committee recommends a limitation in the amount of \$1,842,000 for travel expenses.

The committee has denied a request of the Commission to strike out language which would exempt certain nontechnical personnel from the provisions of the Classification Act of 1923.

OFFICE OF THE HOUSING EXPEDITER

The committee has allowed the sum of \$15,172,100 for the Office of the Housing Expediter, which is in the same amount as that allowed by the House. From the budget justifications and the testimony submitted by this agency, the committee is convinced that sufficient funds have been allowed for the compliance and legal work for the period that the Office will remain in existence. It felt that it would be extremely uneconomical and wasteful of Government funds to recruit personnel to the total suggested by the Office of the Housing Expediter and then discharge this personnel within a few short months after recruitment. It does not believe that it would be possible to train,

integrate, and weld such a large group into an effective operating force within a short time and have them perform effectively in the face of a very short employment possibility.

The committee further wishes to observe that the number of convictions obtained from the result of the compliance activities is negligible and that it is costing an exorbitant sum for each such conviction obtained. The compliance regulations being administered are no longer in effect and it seems entirely logical that the number of complaints arising from the period when the regulations were in effect should decline markedly rather than continue at the same relative rate.

It is recommended that the Housing Expediter pay particular attention to compliance operations to avoid any possible waste or inefficiency in the discharge of this function.

The committee action allows the total amount necessary for the operation of rent control which expires on April 1, 1949. The committee recommends a proviso to the effect that functions under section 204 (e) of the Emergency Price Control Act of 1942, as amended, which were transferred to the Office of the Housing Expediter by Executive Order 9841, shall be treated as still remaining in full force and effect as on June 30, 1947. This proviso clarifies the intent of Congress in regard to rent-control violators and continues their right to go to the Emergency Court of Appeals as provided in section 204 (e).

UNITED STATES MARITIME COMMISSION

The committee recommends \$69,360,775 for administrative expenses of the Commission. This amount represents an increase of \$1,000,000 over the House allowance and is \$25,960,225 under the budget estimate of \$95,321,000.

The committee has allocated the increase allowed to accounting backlog and inventory work and requests that the Commission bring this work to a current status in the shortest possible time.

A proviso has been added to the bill which will allow the Commission, if required for the development and maintenance of the commerce of the United States and for use of the United States in time of war, to expend amounts to acquire the vessels *Mariposa* and *Monterey*.

MARITIME TRAINING

The committee recommends \$6,868,000 for maritime training. This amount is \$1,265,080 under the House allowance of \$8,133,080 and corresponds to the budget estimate.

The budget estimate made no provision for reopening the cadet school at Pass Christian, Miss., increasing administrative personnel and increasing the number of men in training as were added in the House bill. The committee feels that a more than adequate program can be carried out under the amount recommended by the Bureau of the Budget.

VETERANS' ADMINISTRATION

EDUCATION AND TRAINING

The committee has recommended a language change under "Education and training" which provides that teaching a veteran to fly and related aviation courses shall not be considered avocational or recrea-

tional when the veteran certifies that he has selected aviation education or training for use in connection with his existing or contemplated business, occupation, or education.

VETERANS' MISCELLANEOUS BENEFITS

Recently passed legislation authorizes assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities. To expedite the availability of funds for this purpose, the committee has amended the wording of the bill to permit payment of this expense from funds made available in the bill under "Veterans miscellaneous benefits."

WAR ASSETS ADMINISTRATION

The committee heard several Members of Congress and witnesses from many Government agencies affected by the surplus property program as proposed in the House bill. The testimony was unanimous against the splitting up of the surplus property problem into several segments, each presenting further disposal problems to the agencies involved.

It was the opinion of the committee that before a major reorganization was undertaken, as proposed by the House bill, full and complete hearings should be held before the appropriate legislative committees.

The committee recommends that the agency be continued for the fiscal year 1949 and has included appropriate language to accomplish this end. Provision has been made for relieving the agency of most of its problems in relation to priorities which will result in savings in fiscal 1949 in excess of \$5,000,000. The committee has directed that the Administrator establish and maintain a priority for the benefit of small business.

The committee recommends \$90,000,000 for salaries and expenses for the Administration. This amount represents an increase of \$40,000,000 over the House allowance and \$16,912,000 under the budget estimate of \$106,912,000.

PRIORITIES

Under the committee recommendation personal property will be disposed of in the following order:

1. Transfers to Government agencies.
2. Disposals to veterans.
3. Disposals to States and political subdivisions and instrumentalities thereof.
4. Disposals to small business.

Real property not under section 13 of the Surplus Property Act will be disposed of as follows:

1. Transfers to Government agencies.
2. Disposals to veterans.
3. Disposals to States and political subdivisions and instrumentalities thereof.
4. Disposals to former owners.
5. Disposals to small business.

Public Law No. 616 relating to Reconstruction Finance Corporation, and passed by this session of Congress, eliminated provisions of sec-

tion 18 (c) of the Surplus Property Act, as amended. In the consideration of this legislation, the committee is of the opinion that the objection was not to the priority granted small business but it appeared desirable to relieve the Reconstruction Finance Corporation of its responsibility to administer same.

A proviso in the bill requires the War Assets Administrator to reestablish this priority so that it follows States and local governments insofar as both real and personal property are concerned. It is to be noted that with respect to real property the priority of small business follows that of former owners.

A proviso has also been added which would authorize the Administrator of War Assets Administration to eliminate priorities and preferences on personal property when the cost to Government is excessive as related to estimated benefit to priority and preference claimants.

Much discussion has been had relative to the advisability of the elimination of priorities and preferences for personal property. Testimony has been given as to the substantial money savings which the Government might derive from a surplus-property operation free and clear of priorities for personal property and also as to the increasingly diminishing value of these priorities to the beneficiaries thereof, especially as related to the expense which their existence causes the Government.

It is the opinion of the committee that those priorities and preferences should not be entirely eliminated at this time. There may remain some advantage to the beneficiaries of them from the war surplus still undisposed of, especially if suitably extended. The committee believes that the same monetary advantage may well be accomplished through retention of those priorities provided the Administrator of War Assets Administration is given authority to eliminate them when the economies of a given situation demand it. The committee further believes that if the Administrator of War Assets Administration is given discretion in suitable cases to make disposals of surplus personal property, without regard to priorities, as provided in the recommended language, the most damaging cost aspects of the priority system can be alleviated without material damage to the interests of priority claimants.

INCREASES AND LIMITATIONS

The changes in the amounts of the House bill recommended by the committee are as follows:

Atomic Energy Commission----- \$20,000,000

The committee recommends an increase of \$20,000,000, to provide a total of \$521,850,000 for the expenses of the Commission, which is a reduction of \$28,150,000 below the estimate of \$550,000,000.

The committee also recommends the addition of the following limitations on expenses:

For the purchase of newspapers and periodicals:

(not to exceed \$8,000)

For travel expenses:

(not to exceed \$1,842,000)

INCREASES AND LIMITATIONS—continued

Housing Expediter:

The committee recommends that the following proviso be added to the bill:

: And provided further, That as to cases involving the functions transferred to the Office of the Housing Expediter by Executive Order 9841, section 204 (e) of the Emergency Price Control Act of 1942, as amended, shall be considered as remaining in full force and effect during fiscal year 1949

United States Maritime Commission:

Salaries and expenses -----

\$1, 000, 000

The committee recommends an increase of \$1,000,000 to provide a total of \$69,360,775 for salaries and expenses for the Commission, which is a reduction of \$25,960,225 below the revised estimate of \$95,321,000.

The committee also recommends an increase from \$10,600,000 to \$11,600,000 in the over-all limitation on administrative expenses.

New ship construction, reconditioning, and betterment:

The committee recommends that the following proviso be added to the bill:

: Provided further, That the Commission may expend amounts to acquire the vessels Mariposa and Monterey and materials and equipment in conjunction therewith on hand or committed for and expend the amounts necessary to complete the vessels, if required for the development and maintenance of the commerce of the United States and for use of the United States in time of war and national emergency, from any amounts available within this limitation;

Veterans' Administration:**Readjustment benefits:**

The committee recommends that the following provision be stricken from the bill:

For the purpose of this proviso, training for the purpose of teaching a veteran to fly in connection with his business or occupation in which he is now engaged or for which he is training shall not be considered avocational or recreational.

and that the following provision be inserted in lieu thereof:

For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly and related aviation courses shall not be considered avocational or recreational when the veteran certifies that he has selected aviation education or training for use in connection with his existing or contemplated business, occupation, or education

Veterans' miscellaneous benefits:

The committee recommends the addition of the following provision:

and payments authorized by part IX in order to include such payments under the expenditures authorized by Veterans' Administration Regulation Numbered 1 (a), as amended.

INCREASES AND LIMITATIONS—continued

War Assets Administration (surplus property disposal)-----

\$40,000,000

The committee recommends the restoration of the War Assets Administration in place of the House provision for distributing the surplus property disposal functions among several Government agencies. In restoring the Administration, the committee recommends an increase of \$40,000,000 to provide a total of \$90,000,000, which is \$16,912,000 under the revised estimate of \$106,912,000.

The committee recommends that the following section be stricken from the bill:

SURPLUS PROPERTY DISPOSAL

Effective August 31, 1948, the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) All right, title, and interest in surplus real property and all right, title, and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(4) Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;

(5) Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: *Provided*, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an independent agency of the Government;

(6) The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this paragraph in like manner as if such transfer were a

INCREASES AND LIMITATIONS—continued

War Assets Administration—Continued

reorganization of the agencies and functions concerned under the provisions of that Act;

(7) Priorities and preferences provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;

(8) The agencies herein authorized to dispose of surplus personal property may, after August 31, 1948, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.

For administrative expenses in connection with the functions herein authorized to be administered by the War Assets Administration, the Treasury Department, the Department of the Air Force and the Reconstruction Finance Corporation, to be available for the same purposes as the appropriation for salaries and expenses, War Assets Administration, fiscal year 1948, and whenever in such appropriation the title "War Assets Administrator" appears it shall be construed to include his successor as to any of the functions herein transferred, \$50,000,000, from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, to be allocated as the Director of the Bureau of the Budget may determine: *Provided*, That the sum herein provided may be obligated during the period ending August 31, 1948, with respect to the War Assets Administration, and during the period ending March 31, 1949, with respect to the other agencies involved.

and that the following section be inserted in lieu thereof:

*SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION,
SPECIAL FUND*

Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not

INCREASES AND LIMITATIONS—continued

War Assets Administration—Continued

to exceed \$90,000,000 for the fiscal year 1949 for necessary expenses of the War Assets Administration established by Reorganization Plan Numbered 1 of 1947; for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies for the care and handling (including pay and allowances and subsistence of military and naval personnel) of surplus property subsequent to the filing of a declaration of surplus covering such property with a disposal agency designated by the Administrator, or, if the Administrator prescribes procedures whereby declarations of surplus are made at approximately the time of disposal or removal, subsequent to notice by the owning agency to the disposal agency that property has been determined to be surplus and is subject to such procedures, such funds to be available for personal services in the District of Columbia; fees and mileage of witnesses at rates provided by law for witnesses attending in the United States courts (28 U. S. C. 600c); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and other special services and reports by contract without regard to section 3709 of the Revised Statutes, as amended, including real estate brokers and appraisers at rates of pay or fees not to exceed those usual for similar services; health service program as authorized by law (5 U. S. C. 150), (not to exceed \$73,000); acceptance and utilization of voluntary and uncompensated services; printing and binding; expenses of attendance at meetings of organizations concerned with the work of the Administration; procurement of supplies, equipment, reports, and services in connection with the care, handling, and disposition of surplus property without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon determination by the Administrator or by any official designated by him for this purpose that such method of procurement is necessary; purchase and procurement of reports of experts or consultants or organizations thereof; advertising, including radio time; maintenance, operation, and repair of aircraft in the Territories and possessions in connection with disposal activities and, in the continental limits of the United States in connection with the disposition of aircraft and airports; acquisition of buildings, lands, leaseholds, and other interests therein, and temporary use thereof for the care, handling, and disposition of surplus property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus to the Administration by Government corporations; advance of funds to Administration cashiers and collection officials upon furnishing bond, for the purpose of handling cash transactions and making change at surplus property sales: Provided, That any employee of the War Assets Administration is authorized, when designated for the purpose by the Administrator, to administer to or take from any person an oath,

INCREASES AND LIMITATIONS—continued

War Assets Administration—Continued

affirmation, or affidavit, when such instrument is required in connection with the performance of the functions or activities of the War Assets Administration: Provided further, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation: Provided further, That funds appropriated herein shall be subject to the general provisions of titles I and II of The Independent Offices Appropriation Act, 1949.

Priorities:

The committee also recommends the addition of the following provisions:

: Provided further, That notwithstanding any other law to the contrary the War Assets Administrator shall establish and maintain a priority for the benefit of small business in the purchase and disposal and distribution and use of surplus real and personal property. The War Assets Administrator shall implement this small-business priority by appropriate regulation, and the relative order of this priority with respect to other priorities established by the Surplus Property Act of 1944, as amended, shall, with respect to personal property follow disposals to veterans and States and political subdivisions and instrumentalities thereof, and with respect to real property, shall follow disposals to former owners, as provided for in the Surplus Property Act of 1944, as amended.

: And provided further, That section 15 of the Surplus Property Act of 1944, as amended, is amended by adding the following subsection at the end thereof:

“(c) Notwithstanding any other provisions of law and in furtherance of rapid absorption of surplus personal property into the domestic economy, and of disposition of surplus personal property in a manner to preclude insofar as possible financial expense to the Federal Government in the care, handling, and disposition of such property the Administrator may authorize without regard to priorities or preferences disposals of such property in such manner and quantities as he deems requisite to the best interests of the economy and the Government in effecting rapid and inexpensive disposals of surplus personal property, securing the most appropriate fair value under the circumstances, and affording to the extent he deems feasible an appropriate opportunity for the acquisition of such property in accordance with the existing provisions of this Act.”

INCREASES AND LIMITATIONS—continued

General provisions:

The committee recommends the addition of the following provision to Section 103:
and shall be available for examination of appropriation estimates in the field

TOTAL INCREASES-----	\$61, 000, 000
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DECREASES AND LIMITATIONS

United States Maritime Commission:

Maritime training-----	1, 265, 080
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The committee recommends a reduction from the House allowance of \$8,133,080, to provide the amount of the estimate of \$6,868,000 for training personnel for the manning of the merchant marine.

The committee further recommends the deletion of "Pass Christian, Mississippi" from the training stations listed in the bill to be operated.

TOTAL DECREASES-----	1, 265, 080
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Total increase-----	61, 000, 000
Total decrease-----	1, 265, 080

Net increase-----	59, 734, 920
Amount of bill as reported to Senate-----	5, 854, 783, 851

COMPARATIVE STATEMENT SHOWING CONTRACT AUTHORIZATIONS, 1948, ESTIMATED FOR 1949, AND THE
AMOUNT RECOMMENDED IN THE BILL FOR 1949

Agency	Authorization, 1948	Estimated author- ization, 1949	Recommended in bill for 1949	Increase (+) or de- crease (-), bill compared with 1948 authoriza- tion	Increase (+) or de- crease (-), bill compared with 1949 budget esti- mates
Atomic Energy Commission.....	\$400,000,000	\$400,000,000	\$400,000,000		
U. S. Maritime Commission.....		60,142,000	75,000,000	+\$75,000,000	+\$14,858,000
Veterans' Administration.....	338,250,000	43,000,000	43,000,000	-295,250,000	
Total, contract authorizations.....	738,250,000	503,142,000	518,000,000	-220,250,000	+14,858,000

PERMANENT AND INDEFINITE ANNUAL AND TRUST ACCOUNT APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (-)
GENERAL AND SPECIAL FUNDS			
U. S. Maritime Commission: Payments from proceeds of motor-propelled vehicle sales.....	\$700	-----	-\$700
Veterans' Administration:			
Relief of Mary L. Dickson.....	240	\$240	
Payments from proceeds of motor-propelled vehicle sales.....	42,000	42,000	
Total, permanent appropriations, general and special funds.....	42,940	42,240	-700
TRUST FUNDS			
U. S. Maritime Commission:			
Unearned moneys, merchant ship sales.....	500,000	100,000	-400,000
Unclaimed moneys due creditors of contractors.....	200,000	-----	-200,000
Veterans' Administration:			
U. S. Government life insurance fund.....	99,000,000	97,618,000	-1,382,000
Personal funds of patients.....	12,900,000	15,000,000	+2,100,000
General post fund.....	450,000	450,000	
Adjusted service certificate fund.....	365,000	215,000	-150,000
National service life insurance fund.....	706,742,472	646,786,000	-59,956,472
Funds due incompetent beneficiaries.....	8,500,000	9,000,000	+500,000
Unclaimed moneys of individuals whose whereabouts are known.....	28	50	+22
Total permanent appropriation trust funds.....	828,657,500	769,169,050	-59,488,450
Total permanent appropriations.....	828,700,440	769,211,290	-59,489,150

COMPARATIVE STATEMENT SHOWING THE APPROPRIATIONS FOR 1948, THE ESTIMATES FOR 1949, THE BILL AS PASSED THE HOUSE, THE SENATE RECOMMENDATIONS IN ACCOMPANYING BILL, THE INCREASES OR DECREASES PROPOSED IN THE BILL AS COMPARED WITH THE CURRENT APPROPRIATIONS AND THE INCREASES OR DECREASES PROPOSED IN THE BILL AS COMPARED WITH THE BUDGET ESTIMATES AND THE HOUSE BILL

[NOTE.—Appropriations for 1948 include supplemental and deficiency appropriations]

Object	Appropriations, 1948	Budget esti- mates, 1949	House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (—) Senate committee bill compared with—		
					Appropriations, 1948	Estimates, 1949	House bill, 1949
Office of Defense Transportation	1 \$110,000	2 \$635,000	\$340,000	\$340,000	—\$70,000	—\$295,000	
Atomic Energy Commission	3 175,000,000	4 550,000,000	5 501,850,000	5 521,850,000	+346,850,000	—28,150,000	+30,000,000
Office of the Housing Expediter	6 24,199,000	7 20,500,000	15,172,100	15,172,100	—9,026,900	—5,327,900	
U. S. MARITIME COMMISSION							
Administrative expenses, available from construction fund	208,206,774				—208,206,774		
Salaries and expenses		8 95,321,000	9 68,360,775	9 69,360,775	+69,360,775	—25,960,225	+1,000,000
Maritime training	7,320,000	6,868,000	8,133,080	6,868,000	—432,000		—1,265,080
State marine schools	450,000	400,000	400,000	400,000	—50,000		
War Shipping Administration, operations of	10 175,459,000				—175,459,000		
Vessel operating functions		11 39,264,000	25,483,976	25,483,976	+25,483,976	—13,780,024	
War Shipping Administration, liquidation of obligations, Jan. 1, 1947, to June 30, 1947	19 44,600,000				—44,600,000		
War Shipping Administration, liquidation of obligations	200,000,000	(12)	(12)	(12)	—200,000,000		
Total direct appropriation, United States Maritime Commission	207,770,000	141,853,000	102,377,831	102,112,751	—105,657,249	—39,740,249	—265,080
Total all funds, United States Maritime Commission	636,035,774	141,853,000	302,377,831	102,112,751	—533,923,023	—39,740,249	—265,080
VETERANS' ADMINISTRATION							
Administration, medical, hospital, and domiciliary services	12 901,040,780	14 954,755,000	936,755,000	936,755,000	+35,714,220	—18,000,000	
Printing and binding	7,000,000	4,148,000	3,148,000	3,148,000	—3,852,000	—1,000,000	

Penalty-mail costs.....	3,900,000	3,600,000	15,000	15,000	-3,900,000	-3,000,000
Tort claims.....	26,500	15,000			-11,500	
Administrative facilities.....	3,100,000				-3,100,000	
Pensions.....	2,171,915.000	1,948,000,000	1,898,000,000	1,898,000,000	-273,915,000	-50,000,000
Readjustment benefits.....	3,719,860,000	13 2,229,027,000	1,979,027,000	1,979,027,000	-1,740,833,000	-250,000,000
Military and naval insurance.....	11,150,000	9,096,000	5,096,000	5,096,000	-6,054,000	-4,000,000
Hospital and domiciliary facilities.....	(19)	17 230,000,000	18 202,000,000	18 202,000,000	+202,000,000	-28,000,000
Operation of canteens.....	965,000				-965,000	
National service life insurance.....	62,217,000	49,320,000	49,320,000	49,320,000	-12,897,000	
Soldiers' and sailors' civil relief.....	833,000	65,000	65,000	65,000	-768,000	
Automobiles for disabled veterans.....	5,000,000				-5,000,000	
Veterans' miscellaneous benefits.....	85,449,800	51,883,000	51,883,000	51,883,000	-33,566,800	
Total, Veterans' Administration.....	6,972,457,080	5,479,909,000	5,125,309,000	5,125,309,000	-1,847,148,080	-354,600,000
War Assets Administration (Surplus Property Disposal) ¹⁹	257,149,270	20 106,912,000	50,000,000	90,000,000	-167,149,270	+40,000,000
Grand total, direct appropriations.....	7,638,985,350	6,299,809,000	5,795,048,931	5,854,783,851	-1,782,201,493	+59,734,920
Grand total, all funds.....	8,065,251,124	6,299,809,000	5,795,048,931	5,854,783,851	-2,210,467,273	+59,734,920

¹ Includes \$10,000 in Urgent Deficiency Appropriation Act, 1948.
² The House considered an estimate of \$445,000 submitted in H. Doc. No. 507. The Senate considered an additional estimate of \$190,000 contained in S. Doc. No. 177.
³ And contract authorization of \$60,000,000, which includes \$150,000,000 in contract authorization contained in First Deficiency Appropriation Act, 1948.
⁴ And contract authorization of \$400,000,000. Original budget estimate of \$625,000,000 reduced to \$550,000,000 in H. Doc. No. 597.
⁵ And contract authorization of \$400,000,000.
⁶ Includes \$2,000,000 in First Deficiency Appropriation Act, 1948.
⁷ Contained in H. Doc. No. 631.
⁸ And contract authorization of \$60,142,000. Includes \$19,901,879 in cash and \$44,222,000 in contract authorization in House Doc. No. 618.
⁹ And contract authorization of \$75,000,000.
¹⁰ Receipts from vessel operations made available for operations of War Shipping Administration under P. L. 299, 430 and 519.
¹¹ Includes \$440,000 in House Doc. No. 618.
¹² Unexpended balance continued available.
¹³ Includes \$3,003,000 in First Deficiency Appropriation Act, 1948.
¹⁴ Includes \$13,963,000 in H. Doc. 630 and \$4,021,000 in H. Doc. 681.
¹⁵ Includes \$310,122,000 in H. Doc. 673.
¹⁶ And contract authorization of \$338,250,000.
¹⁷ And contract authorization of \$43,000,000.
¹⁸ And contract authorization of \$43,000,000.
¹⁹ Submitted in budget under heading "War Assets Administration."
²⁰ Contained in H. Doc. 648.

Calendar No. 1824

80TH CONGRESS
2D SESSION

H. R. 6829

[Report No. 1758]

IN THE SENATE OF THE UNITED STATES

JUNE 10 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on Appropriations

JUNE 17 (legislative day, JUNE 15), 1948

Reported by Mr. REED, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus,
6 boards, commissions, and offices, for the fiscal year ending
7 June 30, 1949, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: For expenses necessary for the Office of Defense Transportation, including salary of the Director at not to exceed \$12,000, and the Deputy Director at \$10,000; personal services in the District of Columbia; not to exceed \$54,000 for travel expenses, including expenses of attendance at meetings concerned with the work of the agency; not to exceed \$6,500 for printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; \$340,000, of which \$60,000 shall be available exclusively for terminal-leave payments: *Provided*, That the foregoing amounts may be obligated during the period ending February 28, 1949: *Provided further*, That the payment of subsistence to witnesses shall be subject to certification by the Director of the Office of Defense Transportation or his designee, as to the necessity therefor: *Provided further*, That in operating any commercial railroad or truck line the Office of Defense Transportation shall pay whatever license or inspection fees and highway use compensation taxes such lines would have been obligated to pay had they continued in operation under the control of the owners thereof.

ATOMIC ENERGY COMMISSION

For expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, including personal services in the District of Columbia and employment of aliens; purchase of land and interests in land; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of passenger motor vehicles for replacement only; purchase, maintenance, and operation of aircraft; printing and binding; health-service program as authorized by law (5 U. S. C. 150); publication and dissemination of atomic information; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (*not to exceed \$8,000*) and travel expenses (*not to exceed \$1,842,000*); and payment of obligations incurred under prior year contract authorizations; ~~\$501,850,000~~ *\$521,850,000*, of which amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended; from which appropriation transfers of sums may be made to other agen-

1 cies of the Government for the performance of the work
2 for which this appropriation is made, and in such cases the
3 sums so transferred may be merged with the appropriation
4 to which transferred; and in addition to the amount herein
5 provided, the Commission is authorized to contract for the
6 purposes of this appropriation during the fiscal year in
7 an amount not exceeding \$400,000,000: *Provided*, That no
8 part of this appropriation shall be used to pay the salary of
9 any officer or employee (except such officers and employees
10 whose compensation is fixed by law, and scientific and tech-
11 nical personnel) whose position would be subject to the
12 Classification Act of 1923, as amended, if such Act were
13 applicable to such position, at a rate in excess of the rate
14 payable under such Act for positions of equivalent difficulty
15 or responsibility.

16 HOUSING EXPEDITER

17 Salaries and expenses, Office of the Housing Expediter:
18 For expenses necessary to carry out the functions of the
19 Office of the Housing Expediter, including personal services
20 in the District of Columbia; attendance at meetings of organ-
21 izations concerned with rent control; hire of passenger motor
22 vehicles; printing and binding; services as authorized by
23 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
24 not to exceed \$5,000 for payment of claims pursuant to sec-
25 tion 403 of the Federal Tort Claims Act (28 U. S. C. 921);

1 and health service program as authorized by law (5 U. S. C.
 2 150) ; \$15,172,100: *Provided*, That the foregoing amounts
 3 may be obligated during the period ending March 31, 1949:
 4 *Provided further*, That any employee of the Office of the
 5 Housing Expediter is authorized and empowered, when
 6 designated for the purpose by the Housing Expediter, to
 7 administer to or take from any person an oath, affirmation,
 8 or affidavit when such instrument is required in connection
 9 with the performance of the functions or activities of the
 10 Housing Expediter: *And provided further*, That as to cases
 11 involving the functions transferred to the Office of the Housing
 12 Expediter by Executive Order 9841, section 204 (e) of the
 13 Emergency Price Control Act of 1942, as amended, shall
 14 be considered as remaining in full force and effect during
 15 fiscal year 1949.

16 UNITED STATES MARITIME COMMISSION

17 Salaries and expenses: For expenses necessary for carry-
 18 ing into effect the Merchant Marine Act, 1936, and other laws
 19 administered by the United States Maritime Commission,
 20 ~~\$68,360,775~~ \$69,360,775, within limitations as follows:

21 Administrative expenses, including personal services in
 22 the District of Columbia; printing and binding; not to exceed
 23 \$2,000 for newspapers and periodicals; not to exceed \$18,750
 24 for services as authorized by section 15 of the Act of August
 25 2, 1946 (5 U. S. C. 55a) ; and not to exceed \$1,125 for

1 entertainment of officials of other countries when specifically
2 authorized by the Chairman; in all, not to exceed
3 ~~\$10,600,000~~ \$11,600,000: *Provided*, That during the fiscal
4 year ending June 30, 1949, the salaries of the Commissioners
5 of the United States Maritime Commission with the excep-
6 tion of the Chairman, shall be at the rate of \$10,000 each per
7 annum;

8 New ship construction, including reconditioning and
9 betterment, \$29,000,000; and, in addition, the Commis-
10 sion is authorized to enter into contracts for new ship con-
11 struction in an amount not to exceed \$75,000,000: *Pro-*
12 *vided*, That all authority granted to incur obligations for
13 these purposes during 1948 and prior fiscal years not exer-
14 cised prior to July 1, 1948, is hereby revoked, except that
15 not to exceed \$99,000,000 of the funds appropriated for
16 "New ship construction, reconditioning, and betterment" in
17 the Independent Offices Appropriation Act, 1948, shall
18 continue to be available until September 30, 1948: *Provided*
19 *further*, That the Commission may expend amounts to acquire
20 the vessels *Mariposa* and *Monterey* and materials and equip-
21 ment in conjunction therewith on hand or committed for and
22 expend the amounts necessary to complete the vessels, if re-
23 quired for the development and maintenance of the commerce
24 of the United States and for use of the United States in time

1 of war and national emergency, from any amounts available
2 within this limitation;

3 Maintenance of shipyard facilities, \$529,000;

4 Operation of warehouses, \$792,000;

5 Operating-differential subsidies, \$16,691,775: *Provided*,
6 That to the extent that the operating-differential subsidy
7 accrual (computed on the basis of parity) is represented on
8 the operator's books by a contingent accounts receivable
9 item against the Commission as a partial or complete offset
10 to the recapture accrual, the operator (1) shall be excused
11 from making deposits in the Special Reserve Fund and,
12 (2) as to the amount of such earnings the deposit of which
13 is so excused, shall be entitled to the same tax treatment as
14 though it had been deposited in said Special Reserve Fund.
15 To the extent that any amount paid to the operator by the
16 Commission reduces the balance in the operator's contingent
17 receivable account against the Commission, such amount,
18 unless it is forthwith deposited in the fund, shall be con-
19 sidered as withdrawn under Section 607 (h) of the Mer-
20 chant Marine Act, 1936, as amended;

21 Reserve fleet expense, \$9,663,000;

22 Maintenance and operation of terminals, \$585,000;

23 Miscellaneous expenses, including payment of claims

1 pursuant to section 403 of the Federal Tort Claims Act
2 (28 U. S. C. 921), \$500,000.

3 Whenever, in connection with any transaction involving
4 the sale, purchase, or requisition of any vessel, the United
5 States shall be or become obligated to pay any sum to the
6 other party to the transaction and said other party shall be
7 or is indebted to the United States on account of any transac-
8 tion involving the sale, purchase, or requisition of any vessel
9 the amount so owing to the United States shall be deducted
10 from the amount due the other party, and hereafter no officer
11 or employee of the Government shall pay to such other party
12 a sum greater than the net amount owing the other party.

13 Maritime training: For training personnel for the man-
14 ning of the merchant marine (including operation of training
15 stations at Kings Point, New York; Sheepshead Bay, New
16 York; Pass Christian, Mississippi; Saint Petersburg,
17 Florida; and Alameda, California), including not to
18 exceed \$3,300,000 for personal services (exclusive
19 of pay of trainees) in the District of Columbia and
20 elsewhere; expenses of attendance at meetings con-
21 cerned with the work of the Commission when specifically
22 authorized by the Chairman; printing and binding; health
23 service program as authorized by law (5 U. S. C. 150);
24 not to exceed \$2,500 for contingencies for the Superin-
25 tendent, United States Merchant Marine Academy, to be

1 expended in his discretion; and not to exceed \$126,896 for
 2 transfer to applicable appropriations of the Public Health
 3 Service for services rendered the Commission; ~~\$8,433,080~~
 4 \$6,868,000.

5 State marine schools: To reimburse the State of Cali-
 6 fornia, \$50,000; the State of Maine, \$50,000; the State of
 7 Massachusetts, \$50,000; and the State of New York,
 8 \$50,000; for expenses incurred in the maintenance and sup-
 9 port of marine schools in such States as provided in the
 10 Act authorizing the establishment of marine schools, and so
 11 forth, approved March 4, 1911, as amended (34 U. S. C.
 12 1121-1123) ; and for the maintenance and repair of vessels
 13 loaned by the United States to the said States for use in
 14 connection with such State marine schools, \$200,000; in all,
 15 \$400,000.

16 Vessel operating functions: For expenses (other than
 17 administrative expenses) necessary for carrying out, until
 18 March 1, 1949, the operating functions transferred to the
 19 United States Maritime Commission by section 202 of the
 20 Naval Appropriation Act, 1947 (60 Stat. 501), \$25,483,-
 21 976: *Provided*, That receipts from such functions during the
 22 fiscal year 1949 shall be deposited in the Treasury as miscel-
 23 laneous receipts.

24 War Shipping Administration liquidation: The unex-

1 pended balance of the appropriation to the Secretary of the
2 Treasury in the Second Supplemental Appropriation Act,
3 1948, for liquidation of obligations found by the General
4 Accounting Office to have been properly incurred against
5 funds of the War Shipping Administration prior to January 1,
6 1947, is hereby continued available from July 1, 1948,
7 until June 30, 1949: *Provided*, That hereafter all moneys
8 accruing to the United States Maritime Commission from
9 operations under the War Shipping Administration revolving
10 fund prior to September 1, 1946 (including all moneys
11 received from agent operators), shall be covered into the
12 Treasury as miscellaneous receipts.

13 Notwithstanding any other provision of this Act, the
14 Commission is authorized to furnish utilities and services
15 and make necessary repairs in connection with any lease,
16 contract, or occupancy involving Government property
17 under control of the Commission, and payments received
18 by the Commission for utilities, services, and repairs so fur-
19 nished or made shall be credited to the appropriation
20 charged with the cost thereof: *Provided*, That rental pay-
21 ments under any such lease, contract, or occupancy on
22 account of items other than such utilities, services, or re-
23 pairs shall be covered into the Treasury as miscellaneous
24 receipts.

25 The United States Maritime Commission shall not incur

1 any obligations during the fiscal year 1949 from the con-
2 struction fund established by the Merchant Marine Act,
3 1936, or otherwise, in excess of the appropriations and limi-
4 tations contained in this Act: *Provided*, That nothing con-
5 tained herein and in the Independent Offices Appropriation
6 Act, 1948, shall be construed to affect the authority of the
7 Commission pursuant to the provisions of section 603 (a) of
8 the Merchant Marine Act, 1936, as amended, (1) to grant
9 operating differential subsidies on a long-term basis and
10 (2) to obligate the United States to make future payments
11 in accordance with the terms of such operating-differential
12 subsidy contracts, and all receipts which otherwise would
13 be deposited to the credit of said fund shall be covered into
14 the Treasury as miscellaneous receipts: *Provided further*,
15 That hereafter the Commission may make allowances to pur-
16 chasers of vessels for cost of putting such vessels in class, such
17 allowances to be determined on the basis of competitive bids,
18 without regard to the provisions of the last paragraph of
19 section 3 (d) of the Merchant Ship Sales Act of 1946.

20 VETERANS' ADMINISTRATION

21 Administration, medical, hospital, and domiciliary
22 services: For necessary expenses of the Veterans' Admin-
23 istration, including maintenance and operation of medical,
24 hospital, and domiciliary services, in carrying out the func-
25 tions pursuant to all laws for which the Administration is

1 charged with administering, including personal services in
2 the District of Columbia; examination of estimates of appro-
3 priations in the field, including actual expenses of subsistence
4 or per diem allowance in lieu thereof; furnishing and laun-
5 dering of such wearing apparel as may be prescribed for
6 employees in the performance of their official duties; health
7 service program as authorized by law (5 U. S. C. 150);
8 purchase of three hundred and ninety passenger motor
9 vehicles, of which two hundred and twenty-eight shall be
10 for replacement only; utilization of Government-owned auto-
11 motive equipment in transporting children of Veterans' Ad-
12 ministration employees located at isolated stations to and
13 from school under such limitations as the Administrator may
14 by regulation prescribe; services as authorized by section
15 15 of the Act of August 2, 1946 (5 U. S. C. 55a); mainte-
16 nance and operation of farms; recreational articles and
17 facilities at institutions maintained by the Veterans' Admin-
18 istration; expenses incidental to securing employment for
19 war veterans; funeral, burial, and other expenses incidental
20 thereto for beneficiaries of the Veterans' Administration ex-
21 cept burial awards authorized by Veterans' Administration
22 Regulation Numbered 9 (a), as amended; the purchase of
23 tobacco to be furnished, subject to regulations of the Admin-
24 istrator, to veterans receiving hospital treatment or domi-
25 ciliary care in Veterans' Administration hospitals or homes;

1 aid to State or Territorial homes in conformity with the Act
2 approved August 27, 1888, as amended (24 U. S. C. 134),
3 for the support of veterans eligible for admission to Veterans'
4 Administration facilities for hospital or domiciliary care; the
5 purchase of printed reduced-fare requests for use by veterans
6 when traveling at their own expense from or to Veterans'
7 Administration facilities; not to exceed \$5,765 for news-
8 papers and periodicals; and not to exceed \$57,905 for the
9 preparation, shipment, installation, and display of exhibits,
10 photographic displays, moving pictures, and other visual
11 educational information and descriptive material, including
12 the purchase or rental of equipment; \$936,755,000, from
13 which allotments and transfers may be made to the Federal
14 Security Agency (Public Health Service), the Army, Navy,
15 and Interior Departments, for disbursement by them under
16 the various headings of their applicable appropriations, of
17 such amounts as are necessary for the care and treatment of
18 beneficiaries of the Veterans' Administration, including minor
19 repairs and improvements of existing facilities under their
20 jurisdiction necessary to such care and treatment: *Provided*,
21 That no part of this appropriation shall be used to pay in
22 excess of one hundred persons engaged in public relations
23 work: *Provided further*, That no part of this appropriation
24 shall be expended for the purchase of any site for or toward
25 the construction of any new hospital or home, or for the pur-

1 chase of any hospital or home; and not more than \$8,534,800
2 of this appropriation may be used to repair, alter, improve,
3 or provide facilities in the several hospitals and homes under
4 the jurisdiction of the Veterans' Administration either by
5 contract or by the hire of temporary employees and the
6 purchase of materials.

7 Printing and binding: For printing and binding,
8 \$3,148,000.

9 Tort claims: For payment of claims pursuant to section
10 403 of the Federal Tort Claims Act (28 U. S. C. 921),
11 \$15,000.

12 Pensions: For the payment of compensation, pensions,
13 gratuities, and allowances (including subsistence allowances
14 authorized by part VII of Veterans Regulation 1a, as
15 amended), authorized under any Act of Congress, or regu-
16 lation of the President based thereon, including emergency
17 officers' retirement pay and annuities, the administration
18 of which is now or may hereafter be placed in the Veterans'
19 Administration, and for the payment of adjusted-service
20 credits as provided in sections 401 and 601 of the Act of
21 May 19, 1924, as amended (38 U. S. C. 631 and 661),
22 \$1,898,000,000, to be immediately available and to remain
23 available until expended.

24 Readjustment benefits: For the payment of benefits to
25 or on behalf of veterans as authorized by titles II, III, and

1 V, of the Servicemen's Readjustment Act of 1944,
2 \$1,979,027,000, to be immediately available and to remain
3 available until expended: *Provided*, That no part of this
4 appropriation for education and training under title II of
5 the Servicemen's Readjustment Act, as amended, shall be
6 expended for tuition, fees, or other charges, or for subsistence
7 allowance, for any course elected or commenced by a veteran
8 on or subsequent to July 1, 1948, and which is determined
9 by the Administrator to be avocational or recreational in
10 character. ~~For the purpose of this proviso, training for the~~
11 ~~purpose of teaching a veteran to fly in connection with his~~
12 ~~business or occupation in which he is now engaged or for~~
13 ~~which he is training shall not be considered avocational or~~
14 ~~recreational.~~ *For the purpose of this proviso, education or*
15 *training for the purpose of teaching a veteran to fly and*
16 *related aviation courses shall not be considered avocational*
17 *or recreational when the veteran certifies that he has selected*
18 *aviation education or training for use in connection with his*
19 *existing or contemplated business, occupation, or education.*

20 Military and naval insurance: For military and naval
21 insurance, \$5,096,000, to be immediately available and to
22 remain available until expended.

23 Hospital and domiciliary facilities: For hospital and
24 domiciliary facilities, \$202,000,000, to remain available until
25 expended for the payment of obligations heretofore or

1 herein authorized to be incurred under this head, and, in
2 addition, the Administrator of Veterans' Affairs is authorized
3 to incur obligations prior to July 1, 1950, in an amount
4 not exceeding \$43,000,000, for extending, with the approval
5 of the President, any of the facilities under the jurisdiction
6 of the Veterans' Administration or for any of the purposes
7 set forth in sections 1 and 2 of the Act approved March 4,
8 1931 (38 U. S. C. 438j-k), or in section 101 of the
9 Servicemen's Readjustment Act of 1944 (38 U. S. C.
10 693a) : *Provided*, That the authority contained in the Third
11 Urgent Deficiency Appropriation Act, 1946, and in the
12 Independent Offices Appropriation Act, 1948, to incur obli-
13 gations for the purposes of this appropriation is hereby
14 extended to July 1, 1950: *Provided further*, That not to
15 exceed 6.7 per centum of the foregoing appropriation and
16 contract authorizations shall be available for the employ-
17 ment in the District of Columbia and in the field of all
18 necessary technical and clerical personnel for the preparation
19 of plans and specifications for the projects as approved here-
20 under and in the supervision of the execution thereof, and
21 for all travel expenses, field office equipment, and supplies
22 in connection therewith, except that whenever the Veterans'
23 Administration finds it necessary in the construction of any
24 project to employ other Government agencies or persons
25 outside the Federal service to perform such services not

1 to exceed 10 per centum of the cost of such projects may be
2 expended for such services: *Provided further*, That, not-
3 withstanding any other provision of law, the Administrator
4 of Veterans' Affairs may select a site and construct a hospital
5 thereon in Arlington County, Virginia.

6 National service life insurance: For the payment of
7 benefits and for transfer to the national service life insurance
8 fund, in accordance with the National Service Life Insurance
9 Act of 1940, as amended, \$49,320,000, to be immediately
10 available and to remain available until expended: *Provided*,
11 That certain premiums shall be credited to this appropriation
12 as provided by the Act.

13 Soldiers' and sailors' civil relief: For payment of claims
14 as authorized by article IV of the Soldiers' and Sailors' Civil
15 Relief Act amendments of 1942, \$65,000, to be immediately
16 and continuously available until expended: *Provided*, That
17 any moneys received as repayment of debts incurred under
18 said article IV shall be credited to this appropriation.

19 Veterans' miscellaneous benefits: For the payment of
20 burial awards authorized by Veterans' Administration Regu-
21 lation Numbered 9 (a), as amended, and for supplies,
22 equipment, and tuition authorized by part VII *and payments*
23 *authorized by part IX* of Veterans' Administration Regula-

1 tion Numbered 1 (a), as amended, \$51,883,000, to remain
2 available until expended.

3 No part of the foregoing appropriations shall be available
4 for hospitalization or examination of any persons except
5 beneficiaries entitled under the laws bestowing such benefits
6 to veterans, unless reimbursement of cost is made to the ap-
7 propriation at such rates as may be fixed by the Adminis-
8 trator of Veterans' Affairs.

9 SURPLUS PROPERTY DISPOSAL

10 Effective August 31, 1948, the War Assets Administra-
11 tion shall cease to exist as an agency of the Government
12 and its affairs, functions, and responsibilities shall thereafter
13 be disposed of and liquidated in accordance with the
14 following:

15 (1) All right, title, and interest in surplus real prop-
16 erty and all right, title, and interest in notes, mortgages,
17 and contracts of sale or lease in connection with surplus real
18 property shall be transferred to the Reconstruction Finance
19 Corporation to be held and disposed of by such Corporation
20 in accordance, except as provided herein, with the terms
21 of the Surplus Property Act of 1944, as amended;

22 (2) All aircraft and aircraft parts shall be transferred
23 to the Department of the Air Force to be held and disposed
24 of by such Department in accordance, except as provided

1 herein, with the terms of the Surplus Property Act of 1944,
2 as amended;

3 (3) All personal property (other than aircraft and
4 aircraft parts), except such as may be necessary to the
5 liquidation of the War Assets Administration or the exercise
6 of the functions transferred herein, shall be transferred
7 to the Bureau of Federal Supply, Treasury Department, to
8 be held and disposed of by such Bureau in accordance, ex-
9 cept as provided herein, with the terms of the Surplus
10 Property Act of 1944, as amended;

11 (4) Except as necessary to the administration of the
12 functions herein transferred to the Department of the Air
13 Force, the Reconstruction Finance Corporation, and the
14 Bureau of Federal Supply, all administrative property,
15 records, and accounts of the War Assets Administration
16 shall be transferred to the Treasury Department for liquida-
17 tion of the affairs of the War Assets Administration;

18 (5) Such administrative property, records, and per-
19 sonnel of the War Assets Administration as determined by
20 the Director of the Bureau of the Budget to be necessary
21 to the administration of any of the functions herein trans-
22 ferred shall be transferred to the agency to which such
23 function is transferred: *Provided*, That the right to reten-
24 tion in employment by the Government of the personnel so

1 transferred shall be neither greater nor less than such right
2 would have been had the War Assets Administration con-
3 tinued as an independent agency of the Government;

4 (6) The provisions of section 9 of the Reorganization
5 Act of 1945 (Public Law 263, Seventy-ninth Congress)
6 shall apply to the transfers effected by this paragraph in like
7 manner as if such transfer were a reorganization of the agen-
8 cies and functions concerned under the provisions of that
9 Act;

10 (7) Priorities and preferences provided for in the Sur-
11 plus Property Act of 1944, as amended, shall not continue
12 beyond August 31, 1948, as to the disposal of personal
13 property but shall continue as to the disposal of real estate;

14 (8) The agencies herein authorized to dispose of surplus
15 personal property may, after August 31, 1948, transfer any
16 of such property without charge to any other agency of the
17 Government if such property, by such transfer, can be put
18 to public use by the transferee agency;

19 (9) The agencies herein authorized to dispose of sur-
20 plus property shall proceed with due diligence and use all
21 reasonable means within the purview of this Act and the
22 Surplus Property Act of 1944, as amended, to accomplish
23 such purpose at the earliest practicable date and shall report
24 to the Committees on Appropriations of the Senate and the

1 House of Representatives at the end of each month as to
2 progress made;

3 ~~(10)~~ The Secretary of the Treasury, the Secretary of
4 the Air Force, or the Chairman of the Board of Directors
5 of the Reconstruction Finance Corporation may authorize
6 the abandonment, destruction, or donation to public bodies
7 of personal property herein transferred to their respective
8 agencies which has no commercial value or the estimated
9 cost of care and handling of which would exceed the estimated
10 proceeds from its sale;

11 ~~(11)~~ The Surplus Property Act of 1944, as amended,
12 shall not apply to property of the Government which has
13 not been declared surplus under the terms of such Act as of
14 the date of enactment hereof and any such property deter-
15 mined to be surplus shall be disposed of in accordance with
16 the terms of other existing law.

17 For administrative expenses in connection with the func-
18 tions herein authorized to be administered by the War
19 Assets Administration, the Treasury Department, the Depart-
20 ment of the Air Force and the Reconstruction Finance
21 Corporation, to be available for the same purposes as the
22 appropriation for salaries and expenses, War Assets Admin-
23 istration, fiscal year 1948, and whenever in such appropria-
24 tion the title "War Assets Administrator" appears it shall be

construed to include his successor as to any of the functions herein transferred, \$50,000,000, from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, to be allocated as the Director of the Bureau of the Budget may determine: *Provided*, That the sum herein provided may be obligated during the period ending August 31, 1948, with respect to the War Assets Administration, and during the period ending March 31, 1949, with respect to the other agencies involved.

SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION,

SPECIAL FUND

Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not to exceed \$90,000,000 for the fiscal year 1949 for necessary expenses of the War Assets Administration established by Reorganization Plan Numbered 1 of 1947; for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies for the care and handling (including pay

1 and allowances and subsistence of military and naval per-
2 sonnel) of surplus property subsequent to the filing of a
3 declaration of surplus covering such property with a disposal
4 agency designated by the Administrator, or, if the Admin-
5 istrator prescribes procedures whereby declarations of surplus
6 are made at approximately the time of disposal or removal,
7 subsequent to notice by the owning agency to the disposal
8 agency that property has been determined to be surplus and
9 is subject to such procedures, such funds to be available for
10 personal services in the District of Columbia; fees and
11 mileage of witnesses at rates provided by law for witnesses
12 attending in the United States courts (28 U. S. C. 600c);
13 payment of claims pursuant to section 403 of the Federal
14 Tort Claims Act (28 U. S. C. 921); services as authorized
15 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
16 and other special services and reports by contract without
17 regard to section 3709 of the Revised Statutes, as amended,
18 including real estate brokers and appraisers at rates of pay
19 or fees not to exceed those usual for similar services; health
20 service program as authorized by law, (5 U. S. C. 150),
21 (not to exceed \$73,000); acceptance and utilization of volun-
22 tary and uncompensated services; printing and binding;
23 expenses of attendance at meetings of organizations con-
24 cerned with the work of the Administration; procurement of
25 supplies, equipment, reports, and services in connection with

1 the care, handling, and disposition of surplus property with-
2 out regard to the provisions of section 3709 of the Revised
3 Statutes, as amended, upon determination by the Adminis-
4 trator or by any official designated by him for this purpose
5 that such method of procurement is necessary; purchase and
6 procurement of reports of experts or consultants or organiza-
7 tions thereof; advertising, including radio time; maintenance,
8 operation, and repair of aircraft in the Territories and
9 possessions in connection with disposal activities and, in the
10 continental limits of the United States in connection with the
11 disposition of aircraft air airports; acquisition of buildings,
12 lands, leaseholds, and other interests therein, and temporary
13 use thereof for the care, handling, and disposition of surplus
14 property; payments to States or political subdivisions thereof
15 of sums in lieu of taxes accruing against real property
16 declared surplus to the Administration by Government cor-
17 porations; advance of funds to Administration cashiers and
18 collection officials upon furnishing bond, for the purpose of
19 handling cash transactions and making change at surplus
20 property sales: Provided, That any employee of the War
21 Assets Administration is authorized, when designated for the
22 purpose by the Administrator, to administer to or take from
23 any person an oath, affirmation, or affidavit, when such
24 instrument is required in connection with the performance
25 of the functions or activities of the War Assets Administra-

1 *tion: Provided further, That the Administration may pro-*
2 *cure by contract or otherwise and furnish to governmental*
3 *employees and employees of Government contractors at the*
4 *reasonable value thereof food, meals, subsistence, and medical*
5 *supplies, emergency medical services, quarters, heat, light,*
6 *household equipment, laundry service, and sanitation facili-*
7 *ties, and erect temporary structures and make alterations in*
8 *existing structures necessary for these purposes, when such*
9 *employees are engaged in the disposal of surplus property,*
10 *or in the preparation for such disposal, at locations where*
11 *such supplies, services, equipment, or facilities are otherwise*
12 *unavailable, the proceeds derived therefrom to be credited*
13 *to this appropriation: Provided further, That notwithstand-*
14 *ing any other law to the contrary, the War Assets Admin-*
15 *istrator shall establish and maintain a priority for the benefit*
16 *of small business in the purchase and disposal and distribution*
17 *and use of surplus real and personal property. The War*
18 *Assets Administrator shall implement this small-business*
19 *priority by appropriate regulation, and the relative order*
20 *of this priority with respect to other priorities established*
21 *by the Surplus Property Act of 1944, as amended, shall, with*
22 *respect to personal property follow disposals to veterans*
23 *and States and political subdivisions and instrumentalities*
24 *thereof, and with respect to real property, follow disposals*
25 *to former owners, as provided for in the Surplus Property*

1 Act of 1944, as amended: And provided further, That
2 section 15 of the Surplus Property Act of 1944, as amended,
3 is amended by adding the following subsection at the end
4 thereof:

5 “(c) Notwithstanding any other provisions of law and
6 in furtherance of rapid absorption of surplus personal prop-
7 erty into the domestic economy, and of disposition of surplus
8 personal property in a manner to preclude insofar as pos-
9 sible financial expense to the Federal Government in the
10 care, handling, and disposition of such property the Ad-
11 ministrator may authorize without regard to priorities or
12 preferences disposals of such property in such manner and
13 quantities as he deems requisite to the best interests of the
14 economy and the Government in effecting rapid and inex-
15 pensive disposals of surplus personal property, securing the
16 most appropriate fair value under the circumstances, and
17 affording to the extent he deems feasible an appropriate
18 opportunity for the acquisition of such property in accord-
19 ance with the existing provisions of this Act.”

20 GENERAL PROVISIONS

21 SEC. 102. No part of any appropriation contained in
22 this Act shall be used to pay the salary or wages of any
23 person who engages in a strike against the Government of
24 the United States or who is a member of an organization of

1 Government employees that asserts the right to strike against
2 the Government of the United States, or who advocates, or
3 is a member of an organization that advocates, the over-
4 throw of the Government of the United States by force
5 or violence: *Provided*, That for the purposes hereof an
6 affidavit shall be considered prima facie evidence that
7 the person making the affidavit has not contrary to the
8 provisions of this section engaged in a strike against the
9 Government of the United States, is not a member of an
10 organization of Government employees that asserts the
11 right to strike against the Government of the United States,
12 or that such person does not advocate, and is not a member of
13 an organization that advocates, the overthrow of the Govern-
14 ment of the United States by force or violence: *Provided*
15 *further*, That any person who engages in a strike against the
16 Government of the United States or who is a member of an
17 organization of Government employees that asserts the right
18 to strike against the Government of the United States, or who
19 advocates, or who is a member of an organization that advo-
20 cates, the overthrow of the Government of the United States
21 by force or violence, and accepts employment the salary or
22 wages for which are paid from any appropriation contained
23 in this Act shall be guilty of a felony and, upon conviction,
24 shall be fined not more than \$1,000 or imprisoned for not

1 more than one year, or both: *Provided further*, That the
2 above penalty clause shall be in addition to, and not in sub-
3 stitution for, any other provisions of existing law.

4 SEC. 103. The funds appropriated herein shall be subject
5 to the general provisions of titles I and II of the Independent
6 Offices Appropriation Act, 1949, *and shall be available for*
7 *examination of appropriation estimates in the field.*

8 SEC. 104. Section 207 of the Independent Offices Ap-
9 propriation Act, 1949, is hereby amended to read as follows:

10 "SEC. 207. Any appropriations or funds available to
11 the executive departments, independent establishments, and
12 wholly owned Government corporations for the payment of
13 salaries and compensation to persons stationed outside the
14 continental United States or in Alaska whose rates of basic
15 compensation are fixed by statute, shall be available for the
16 payment of additional compensation to such persons, based
17 on living costs substantially higher than in the District of
18 Columbia, or conditions of environment which differ sub-
19 stantially from conditions of environment in the States and
20 warrant additional compensation as a recruitment incentive,
21 or both such factors: *Provided*, That such additional com-
22 pensation, except as otherwise specifically authorized by
23 law, shall be paid only in accordance with regulations

1 prescribed by the President establishing rates of such addi-
2 tional compensation and defining the area, groups of posi-
3 tions, and classes of persons to which each such rate applies:
4 *Provided further*, That no additional compensation based
5 on living costs substantially higher than in the District of
6 Columbia shall be paid under this section to any person who
7 is entitled to receive a cost-of-living allowance under section
8 901 (2) of the Foreign Service Act of 1946 or section
9 204 of this Act: *Provided further*, That such additional
10 compensation shall not exceed in any instance 25 per centum
11 of the rate of basic compensation: *Provided further*, That
12 this section shall be effective sixty days after the date of
13 approval of this Act, or on such earlier date as may be
14 specified in regulations issued by the President hereunder,
15 and additional compensation payable under regulations and
16 procedures in effect on the date of approval of this Act may
17 continue to be paid until the effective date of this section.”

18 SEC. 105. The last paragraph under the heading “Public
19 Buildings Administration” in Public Law 491, Eightieth
20 Congress, is hereby amended to read as follows:

21 “No part of the foregoing appropriations to the Federal
22 Works Agency shall be used for the purpose of converting
23 any existing coal heating units to oil or natural gas in any

1 federally owned or rented buildings in or outside the District
2 of Columbia where there is a fuel oil shortage.”

3 SEC. 106. This Act may be cited as “The Supplemental
4 Independent Offices Appropriation Act, 1949.”

Passed the House of Representatives June 9, 1948.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
2D SESSION

H. R. 6829

[Report No. 1758]

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

JUNE 10 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on
Appropriations

JUNE 17 (legislative day, JUNE 15), 1948

Reported with amendments

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 21, 1948
For actions of June 18 & 19, 1948
80th-2nd, Nos. 112 & 113

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HIGHLIGHTS: Took final congressional action on road-authorizations bill, Interior appropriation bill, selective-service, bill for purchase of agricultural commodities to be processed in occupied areas and sold, supplemental independent offices appropriation bill which contains surplus-property provisions, Government corporations appropriation bill, and bill to transfer alcohol plants to USDA. House passed CCC charter bill, housing bill without rural-housing provisions. Both Houses passed a pay-raid bill. Senate passed 2nd deficiency appropriation bill and bill authorizing coordination of disaster relief. House committee reported bill to transfer certain O&C lands to Interior.

NOTE: CONGRESSIONAL RECORD OF JUNE 19 IS NOT COMPLETE.. SEE NOTE AT END OF THIS DIGEST.

SENATE - June 18

1. ROAD AUTHORIZATIONS. Agreed to the conference report on H. R. 5888, authorizing appropriations for roads (p. 9132). The House received the report (pp. 9034-5). The conferees changed the authorization for forest highways to \$20,000,000 and the authorization for forest development roads and trails to \$17,500,000. They eliminated the provision whereby any State in which forest highways are located, and where it is not feasible to expend all the funds apportioned under Sec. 1 for the purposes for which the funds were apportioned, the Public Roads Commissioner could agree to pay, from funds apportioned under Sec. 1 to the State, funds which are not covered by formal agreements with PRA for improvement of specific projects, for payment up to the full cost of construction of forest highways across national-forest lands within the State. Retained the cancellation of the forest-highways authorization in the Act of 1944 for the fiscal year

1948, and the authorization for construction of forest development roads and trails by force account up to \$10,000 a mile.

2. SECOND DEFICIENCY APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 6935 (p. 8948). The Senate Committee inserted the following items:

Emergency reconstruction and repair, Forest Service, \$4,000,000.

Loans to farmers, 1948 flood damage, \$6,000,000.

Golden-nematode control, \$492,000.

Disaster relief, public facilities, FWA, \$35,000,000.

Housing technical services and research under the proposed Housing Act of 1948, which is to be for allocation by the Secretary to the several agencies of USDA, to local public agencies, and to State agencies through Extension Service, \$150,000.

The Committee increased the Remount Service item by \$100,000. (For other provisions relating to the Department, see Digest 109.) The Senate Committee also inserted a provision, under export control (Commerce Department) "That no part of this appropriation may be used to enforce any regulation prohibiting the export of one hundred pound bags of flour as or in gift packages of any types."

Regarding foot-and-mouth disease, the committee report states: "The committee thoroughly discussed the establishment of the authorized research facilities for the study of methods of preventing foot-and-mouth disease in animals, and it came to the conclusion that the subject is so fraught with danger to the animal herds of this country that further scrutiny of it is essential. In particular, the committee has concluded it is necessary to study the proper methods of procedure and exactly the proper location of the research facilities. The committee recommends, therefore, that the Department of Agriculture conduct the necessary survey and report to the Senate Committee on Appropriations when the next Congress convenes on the best possible means to be utilized in preventing within the United States the occurrence of this animal disease. In the meantime, it is the intention of the committee, through an appropriate subcommittee, to study the pernicious effect of the illness as it exists in Mexico and elsewhere, and endeavor to determine the most effective methods of combating the disease."

3. SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL. Passed with amendments this bill, H. R. 6829 (pp. 8952-63).

Regarding surplus property, the committee report states:

"The committee heard several Members of Congress and witnesses from many Government agencies affected by the surplus property program as proposed in the House bill. The testimony was unanimous against the splitting up of the surplus property problem into several segments, each presenting further disposal problems to the agencies involved.

"It was the opinion of the committee that before a major reorganization was undertaken, as proposed by the House bill, full and complete hearings should be held before the appropriate legislative committees.

"The committee recommends that the agency be continued for the fiscal year 1949 and has included appropriate language to accomplish this end. Provision has been made for relieving the agency of most of its problems in relation to priorities which will result in savings in fiscal 1949 in excess of \$5,000,000. The committee has directed that the Administrator establish and maintain a priority for the benefit of small business.

"The committee recommends \$90,000,000 for salaries and expenses for the Administration. This amount represents an increase of \$40,000,000 over the House allowance and \$16,912,000 under the budget estimate of \$106,912,000.

"Under the committee recommendation personal property will be disposed of in the following order: 1. Transfers to Government agencies. 2. Disposals to veterans. 3. Disposals to States and political subdivisions and instrumentalities thereof. 4. Disposals to small business. Real property not under section 13 of the Surplus Property Act will be disposed of as follows: 1. Transfers to Government agencies. 2. Disposals to veterans. 3. Disposals to States and political subdivisions and instrumentalities thereof. 4. Disposals to former owners. 5. Disposals to small business.

"Public Law No. 616 relating to Reconstruction Finance Corporation, and passed by this session of Congress, eliminated provisions of section 18 (e) of the Surplus Property Act, as amended. In the consideration of this legislation, the committee is of the opinion that the objection was not to the priority granted small business but it appeared desirable to relieve the Reconstruction Finance Corporation of its responsibility to administer same.

"A proviso in the bill requires the War Assets Administrator to reestablish this priority so that it follows States and local governments insofar as both real and personal property are concerned. It is to be noted that with respect to real property the priority of small business follows that of former owners.

"A proviso has also been added which would authorize the Administrator of War Assets Administration to eliminate priorities and preferences on personal property when the cost to Government is excessive as related to estimated benefit to priority and preference claimants.

"Much discussion has been had relative to the advisability of the elimination of priorities and preferences for personal property. Testimony has been given as to the substantial money savings which the Government might derive from a surplus-property operation free and clear of priorities for personal property and also as to the increasingly diminishing value of these priorities to the beneficiaries thereof, especially as related to the expense which their existence causes the Government.

"It is the opinion of the committee that those priorities and preferences should not be entirely eliminated at this time. There may remain some advantage to the beneficiaries of them from the war surplus still undisposed of, especially if suitably extended. The committee believes that the same monetary advantages may well be accomplished through retention of those priorities provided the Administrator of the War Assets Administration is given authority to eliminate them when the economies of a given situation demand it. The committee further believes that if the Administrator...is given discretion in suitable cases to make disposals of surplus personal property, without regard to priorities, as provided in the recommended language, the most damaging cost aspects of the priority system can be alleviated without material damage to the interests of priority claimants."

Agreed to an amendment (in addition to the committee amendments), by Sen. Barkley, to add \$450,000 for administrative expenses of REA (p. 8962).

Sens. Reed, Bridges, Brooks, Cordon, Green, Russell, and McKellar were appointed conferees (p. 8963). Reps. Wigglesworth, Phillips, Robertson, Coudert, Hendricks, Andrews, and Thomas were appointed House conferees (p. 9073).

4. ALCOHOL PLANTS. Passed without amendment H. R. 6096, to transfer to this Department the alcohol plants at Muscatine, Kansas City, and Omaha (p. 8903). This bill will now be sent to the President.
5. FOREST LAND. Passed without amendment H. R. 5861, to transfer a tract of forest land to Okla. (p. 8908). This bill will now be sent to the President.
6. CIVIL-SERVICE RETIREMENT. Passed without amendment H. R. 6454, to provide

annuities for Federal employees who are primarily engaged in the investigation, apprehension, or detention of persons suspected or convicted of offenses against the U. S. criminal laws, who is at least 50 and has had 25 years of service (p. 8910). This bill will now be sent to the President.

Passed without amendment H. R. 6641, to provide annuities for certain surviving spouses of annuitants retired before Apr. 1, 1948 (p. 8913). This bill will now be sent to the President.

7. VETERANS' LOANS. Passed as reported S. 2790, to amend the Servicemen's Readjustment Act so as to provide a secondary market for GI loans (pp. 8918-9).
8. PERSONNEL. Passed without amendment H. R. 4917, which provides that, if a veteran lost opportunity for appointment in the Federal civil service because of military service and becomes physically disqualified for the position for which he was examined by reason of a disability incurred in the military service, he may have his name entered upon any list of eligibles for which a like examination is required (p. 8912). This bill will now be sent to the President.
9. ASSISTANT SECRETARIES. Passed without amendment H. R. 6822, to continue the authorization for two additional Assistant Secretaries of State (pp. 8912-13). This bill will now be sent to the President.
10. DISASTER RELIEF. Passed as reported S. 2831, to authorize the Secretary of Defense to coordinate the emergency disaster relief of Federal agencies (pp. 8932-3).
11. REMOUNT SERVICE. Passed S. 2698, to authorize transfer of certain Army horses to the New Mexico Military Institute, except those used in the Remount Service (p. D677).
12. SELECTIVE SERVICE. Debated a motion by Sen. Gurney that conferees be appointed on S. 2655, the selective-service bill (pp. 8920-7, 8963-81, 9109-36).
13. APPROPRIATIONS. Received the following appropriation estimates from the President (pp. 8947-8); to Appropriations Committee.
Flood-damage loans, USDA, \$6,000,000. (S. Doc. 186.)
Rural-housing program under pending housing bill, \$3,500,000 appropriation and \$25,000,000 loan authorization. (S. Doc. 187.)
14. INFLATION. Sen. O'Mahoney spoke in favor of anti-inflation legislation and said this would help to make possible economy in Government expenditures (pp. 8916-8).
15. BILLS PASSED OVER, during call of the calendar, included:
 S. 784, providing maternity leave for Government employees (pp. 8903-4).
 S. J. Res. 162, restricting authority for establishment of Indian reservations in Alaska (pp. 8927-8).
 S. 2754, the property-management bill (p. 8927).

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16. FARM PROGRAM. Reps. Hope, Andresen, Johnson, Murray, Flannagan, Cooley, and Pace were appointed conferees on H. R. 6243, the farm-program bill (p. 8990).
17. COMMODITY CREDIT CORPORATION. Passed, 107-13, S. 1322, to provide a Federal charter for CCC, with the language of H. R. 6263 substituted (pp. 9015-22).

**SPECIAL COLLEGE STUDENT AWARD
HOW TO MAKE DEMOCRACY LIVE**

(By Walter H. Mitchell, University of Georgia, Athens, Ga.)

Democracy is fundamentally a system of human relations. It is a way of life—a way in which people treat and deal with each other.

It means recognition of the fact that we can expect only as much freedom as we are willing to grant. It means insisting that the other fellow gets his rights just as you get yours. The loss of even one human right endangers all.

Democracy means rule of the majority—but due regard for minority opinion. It means freedom of expression, for if decisions are to be based upon majority opinions the people must know and analyze differing opinions.

For every right there is always a corresponding duty. The right of free speech demands respect for the rights of others. It carries a responsibility for speaking the truth. The precious right to vote carries with it the duty to vote, and to vote intelligently. It is the duty of the individual to keep himself informed because the degree of good government we get depends upon the amount of information we have on which to base our decisions. It is our duty to take a constructively critical attitude toward democracy. Our greatest danger lies in complacency.

With belief in the dignity and worth of the individual and with faith in the ability of men to govern themselves, we, the people, can surely make democracy live.

**SPECIAL HIGH-SCHOOL AWARD
HOW TO MAKE DEMOCRACY LIVE**

(By Carol Breckenridge, Redwood City, Calif.)

As I read of the struggles to establish our form of government, I resolve to do my best to preserve it. I shall try never to become too complacent. Active, intelligent voting is one of the fundamental duties of all who want to make democracy live. An informed interest should govern my choice of candidates for public office. After election I should write my Congressman in order to let him know how I wish to be represented.

Quite apart from this active participation in making democracy live is another phase of obligation, more subtle, but equally important. It is building up within myself a deeper appreciation of the Bill of Rights and a willingness to make myself worthy of my Government. No system of representative government can be better than the people whom it represents. Therefore, I shall resolve to use my glorious freedom of speech to express only those ideas which will help all mankind, and never abuse it by using words to gain selfish or unworthy aims.

Each individual thinks often of his privileges, but now is the time to think often of one's duties and responsibilities in maintaining our Government. No one is immune to the process of making our democracy live.

MASSMAN CONSTRUCTION CO.—CONFERENCE REPORT

Mr. WILEY. Mr. President, I submit a conference report on House bill 2192, for the relief of the Massman Construction Co., and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The conference report will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R.

2192) for the relief of Massman Construction Company, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

ALEXANDER WILEY,
FORREST C. DONNELL,
Managers on the Part of the Senate.

JOHN JENNINGS, Jr.,
ALBERT L. REEVES, Jr.,
FADJO CRAVENS,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

**PROMOTION OF NATIONAL DEFENSE—
INCREASE IN PERSONNEL OF ARMED
FORCES**

Mr. GURNEY. Mr. President, I ask that the message from the House of Representatives on Senate bill 2655 be again laid before the Senate.

The PRESIDENT pro tempore. The Chair again lays before the Senate a message from the House of Representatives insisting upon its amendments to the bill (S. 2655) to provide for the common defense by increasing the strength of the armed forces of the United States, including the reserve components thereof, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GURNEY. Mr. President, I move that the Senate disagree to the amendments of the House, agree to the request of the House for a conference, and that the conferees on the part of the Senate be the following: The Senator from South Dakota [Mr. GURNEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Oregon [Mr. MORSE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Virginia [Mr. BYRD].

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. GURNEY. Mr. President, I should like to speak for a moment on the motion.

In my opinion, this measure is mandatory on the Congress, because of its importance to the national defense. In my opinion, if any debate in the nature of a filibuster now takes place on this simple motion to name conferees, it is not in accord with the best customs of the Senate, the House, or the Congress. If the measure were to be debated on its merits, that would be a different question. It has been debated on its merits. The Senate has spoken. If conferees are appointed and the conference recommendation comes back to both Houses, and there are decisions of the conferees which are not to the liking of any Member or group of Members, no matter what the size of that group, the merits of the question can again be debated. But to use a parliamentary maneuver to stop the naming of conferees is clearly outside the high ideals which the American people hold for the doings of their Congress.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. TOBEY. I am entirely in sympathy with the point of view of the Senator from South Dakota as he has expressed it. In this connection I point out to him the words of wisdom given us by the junior Senator from California [Mr. KNOWLAND] half an hour ago with reference to Senate rules which make such a thing possible. The Senate has made its own bed, and now it must lie in it. I think we need a few horrible examples of filibusters by one, two, three, or four men crammed down our throats to bring the Senate and the country to the realization of the crudeness, rudeness, and wickedness of the Senate rules, and the rules of Congress in general, which allow one, two, or three men to set aside and nullify the democratic processes and keep the representatives of the people from voting on these issues.

Therefore, while I am in sympathy with the remarks of the Senator, we have made our bed, and now we must lie in it. If we want to rectify these things, let us take the bull by the horns and adopt adequate rules, as recommended by the Senator from California and others, and clean house. In that way we can retain the respect of the people.

[Manifestations of applause from the galleries.]

The PRESIDENT pro tempore. Demonstrations in the gallery are not allowed under the rules of the Senate.

Mr. GURNEY. Mr. President, I hope my motion will be agreed to.

**AMENDMENT OF IMMIGRATION ACT OF
1917—CONFERENCE REPORT**

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REVERCOMB. A conference report is a privileged matter; is it not?

The PRESIDENT pro tempore. The Senator is correct.

Mr. REVERCOMB. Then at this time I desire to call up the conference report on Senate bill 3566, which is at the desk, and to ask for its immediate consideration.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. The motion made by the Senator from South Dakota [Mr. GURNEY] was that the Senate disagree to the amendment of the House to the draft bill, agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate. Is not unanimous consent required to set aside that matter, for the purpose of having the Senate take up a conference report?

The PRESIDENT pro tempore. In the opinion of the Chair, unanimous consent would be required for that purpose.

Is the Senator from West Virginia requesting that the motion be laid aside, and that the conference report be taken up?

Mr. REVERCOMB. I ask that the conference report on Senate bill 3566 be taken up at this time, and that the pending motion be temporarily laid aside.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. MORSE. Mr. President, reserving the right to object, let me ask what the conference report relates to.

Mr. REVERCOMB. It is the conference report on House bill 3566, which amends the immigration laws with respect to reports by the Attorney General upon extension of stays of aliens who are in this country under temporary permits. The conference report has been agreed to by the House of Representatives, and has just been sent to the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, let me say I am inclined to think that I shall not object to this particular request to lay aside the motion of the Senator from South Dakota and take up the conference report referred to. But I think it is only fair to point out that I am not going to sit here and have the danger of a filibuster on the motion of the Senator from South Dakota hanging over our heads and in effect placing us in a position—in fact, we actually are in such a position at the present moment, if I interpret the situation correctly—of conducting business in the Senate of the United States by way of sufferance.

We have to face the issue as to whether we are going to go ahead with the appointment of conferees on the draft bill. It is my judgment that there is nothing else that is more important today than meeting this issue, which deals with the national security of our Nation. I speak as one who as a member of the Armed Services Committee was not in complete agreement with every section of the bill as reported to the Senate from the committee; but I sought to have the bill amended in certain respects. I was successful as to some of those amendments, and unsuccessful as to others; but the majority of the Senate ruled as to the type of draft bill which the Senate wished to send to conference, and I intend to support the majority of the Senate in doing all I can to see to it that the draft bill goes to conference, and that we receive from the conference the best military manpower legislation possible, in order to meet what I consider to be a great emergency need confronting our Nation at the present time.

Mr. President, I wish to say now, as I said briefly the other day, that the action we take on this matter will be heard around the globe, and there are millions of people in friendly countries who will look to see whether we are going to keep faith with the promises we have clearly made, it seems to me, and whether we intend to enforce the peace and give the peoples of the world who are making a fight for freedom an opportunity to have success in that fight.

Therefore, although I shall let this one piece of business be transacted, I wish to state that it is the last piece of business I shall allow to be transacted until we meet the question as to whether we

are going to agree to have the requested conference on the draft bill which, in my judgment, pertains to the very security of our Nation. It seems to me that now is the best time and this is the best place to fight that battle.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

Mr. WHERRY. Mr. President, reserving the right to object, I appeal to the Senator from Oregon about this matter. I wish to say here that it was our plan, if I may state it now, to have the Senate adopt two or three conference reports as to which there is no controversy, and also agree to a request for a conference. One of those matters relates to a road bill. I think it will take us only 10 minutes to complete action on the supplemental independent offices appropriation bill, which must be passed and go to conference.

Then I would be agreeable to continuing under the program of having debate on the motion to agree to the requested conference.

Mr. PEPPER. Mr. President, does the conference report relate to the displaced persons?

Mr. REVERCOMB. This is not the report on the displaced persons bill.

Mr. President, it has just been brought to my attention that the conference report which has been under discussion was agreed to by the Senate on the 15th instant, although it has just been agreed to by the House of Representatives.

Therefore, I withdraw the request.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment, the joint resolution (S. J. Res. 37) requesting the President to proclaim February 1 as National Freedom Day.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 3190. An act to revise, codify, and enact into positive law, title 18 of the United States Code, entitled "Crimes and Criminal Procedure";

H. R. 3218. An act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power systems;

H. R. 4272. An act to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes; and

H. R. 5710. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 418) to provide for water-pollution-control activities in the Public Health Service of the Federal Security Agency and in the Federal Works Agency, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3735) to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes.

PROMOTION OF NATIONAL DEFENSE—INCREASE IN PERSONNEL OF ARMED FORCES

The PRESIDENT pro tempore. The pending question is the motion of the Senator from South Dakota that the Senate disagree to the amendment of the House to the draft bill, Senate bill 2655; agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

SUPPLEMENTAL APPROPRIATIONS FOR INDEPENDENT OFFICES, 1949

Mr. WHERRY. Mr. President, I wish to propose one further unanimous-consent request, if I may do so. I feel it is very necessary that the supplemental independent offices appropriation bill be considered at this time.

So I ask unanimous consent that the pending business, to wit, the motion of the Senator from South Dakota relative to having the Senate agree to the requested conference on the draft bill, and so forth, be temporarily laid aside, and that the Senate proceed to the consideration of House bill 6829.

The PRESIDENT pro tempore. Is there objection?

Mr. McMAHON. Mr. President, reserving the right to object—and I shall not object—let me inquire whether the proposed action, if taken, would result in the displacement of the business now pending.

The PRESIDENT pro tempore. Not under the terms of the request.

Mr. MORSE. Mr. President, reserving the right to object, I wish to ask the Senator from Nebraska a question. Will he explain to me just what procedure has to be followed in regard to the conference report to which he has referred in order to have it finally disposed of?

Mr. WHERRY. Mr. President, I have referred to the supplemental appropriation bill for the independent offices, which is ready for consideration and passage by the Senate. This will be the first time the bill has been considered by the Senate. It is the appropriation bill.

Mr. MORSE. The Senator does not refer to a conference report, then?

Mr. WHERRY. No. I shall later ask unanimous consent for the consideration of other conference reports. They can be taken up at any time, for they are privileged matters.

But this is the last appropriation bill which must be considered, and I thought it wisest to have the Senate consider it now, before entering into prolonged discussion of the motion of the Senator from South Dakota.

Mr. MORSE. If we do not consider the bill now and if we get into a prolonged discussion of the motion of the Senator from South Dakota, we may find ourselves in a position tomorrow or tomorrow night when there will not be time even to take action by way of a conference on the bill.

Mr. WHERRY. That is correct.

Mr. MORSE. I hope I can at least demonstrate, in a very short period of time, that I can adjust myself to new facts as I discover them.

Mr. WHERRY. I thank the Senator.

Mr. MORSE. I am not going to object to this one.

Mr. WHERRY. That is wonderful.

Mr. MORSE. However, I am beginning to say I do not like the idea of having to work under the sufferance of what apparently amounts to a threatened filibuster being held over my head.

Mr. WHERRY. Mr. President, I want to thank the Senator from Oregon. I assure him I shall cooperate with him in every way to expedite action on the question, after the appropriation bill is disposed of.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska?

There being no objection, the Senate proceeded to consider the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. REED. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. REED. Mr. President, I desire to make a 5-minute preliminary statement to explain the bill.

Mr. EASTLAND. Let us have a quorum call.

Mr. WHERRY. We do not need it. Let us proceed to the consideration of the committee amendments.

The PRESIDENT pro tempore. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Atomic Energy Commission," on page 3, line 14, after the word "periodicals", to insert "(not to exceed \$8,000)"; in line 15, after the word "expenses", to insert "(not to exceed \$1,842,000)"; and in line 16, after the word "authorizations", to strike out "\$501,850,000" and insert "\$521,850,000."

The amendment was agreed to.

Mr. EASTLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Connor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Pepper
Brewster	Hoey	Reed
Bricker	Holland	Revercomb
Bridges	Ives	Robertson, Va.
Brooks	Jenner	Robertson, Wyo.
Buck	Johnson, Colo.	Russell
Butler	Johnston, S.C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capehart	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lucas	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Downey	McGrath	Tobey
Dworshak	McKellar	Tydings
Eastland	McMahon	Umstead
Eaton	Magnuson	Vandenberg
Ellender	Malone	Watkins
Feazel	Martin	Wherry
Ferguson	Maybank	White
Flanders	Millikin	Wiley
Fulbright	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

The clerk will report the next committee amendment.

The next amendment was, under the heading "Housing Expediter," on page 5, line 10, after the word "Expediter", to insert a colon and the following additional proviso:

And provided further, That as to cases involving the functions transferred to the Office of the Housing Expediter by Executive Order 9841, section 204 (e) of the Emergency Price Control Act of 1942, as amended, shall be considered as remaining in full force and effect during fiscal year 1949.

The amendment was agreed to.

Mr. McMAHON. Mr. President, I have had a conversation with the Senator from Kansas [Mr. REED], and he states he does not object to returning to the item of \$521,850,000, the total appropriation for the Atomic Energy Commission. I ask the Senator if that is correct?

Mr. REED. That is correct.

Mr. McMAHON. I ask unanimous consent to reconsider the vote by which the amendment on page 3, line 16, after the word "authorizations", to strike out "\$501,850,000" and insert "\$521,850,000" was agreed to.

The PRESIDENT pro tempore. Without objection, the vote on the amendment will be reconsidered, and the amendment will be considered to be pending at the moment before the Senate. Does the Senator wish to be recognized?

Mr. McMAHON. I do.

The PRESIDENT pro tempore. The Senator from Connecticut is recognized.

Mr. McMAHON. Mr. President, I should like to address a question to the chairman of the subcommittee, asking him to explain to me, if he will, where the \$28,000,000 cut has been made in the appropriation. The Senator stated the House cut the appropriation \$48,000,000 and according to the report the Senate committee has increased it \$20,000,000,

leaving a net reduction of \$28,000,000. I should like to ask the Senator how that was arrived at by the Appropriations Committee.

Mr. REED. The budget estimate for the Atomic Energy Commission was \$550,000,000. The House bill provided \$501,850,000. The Senate committee appointed a subcommittee. The full committee, after considering the matter, recommended that the House figure be increased by \$20,000,000. In addition to doing that, we removed some restrictions which had been imposed upon the Atomic Energy Commission in the matter of the use of its funds. With the removal of the restrictions and allowing more flexibility to the Commission in the use of its funds, it was the opinion of the subcommittee and the full committee that the Atomic Energy Commission could perform all of its functions with the amount allowed.

Mr. McMAHON. I should like to invite the Senator's attention to the fact that in the House it was suggested that the appropriation for basic research should be reduced by approximately 14 percent. Did the subcommittee or the full Senate committee have any deliberations upon that action?

Mr. REED. We are trying to let the Atomic Energy Commission use its funds with the utmost flexibility and in the way it deems best. We have not undertaken to reduce the funds in any particular category by any particular percentage.

Mr. McMAHON. I will say to the Senator that although I am on the Joint Committee on Atomic Energy I cannot vouch for every dollar in the request for an appropriation. I do know, however, that its budget estimates were arrived at as a result of the Commission conferring with the advisory board provided for by statute under which it operates. The budget was arrived at as a result of conferences between the Advisory Board, the industrial concerns which operate the project, and the Commission itself.

I was disturbed by the House report which had an amazing line in it to the effect that they did not want to interfere with the amount of research, but they thought that the amount of research could be well reduced on items other than those which cover basic research and research for peaceful purposes. Apparently there is a belief in some quarters that we can have research for weapons, for instance, and research not for weapon purposes, and can put them in different categories. Of course the Senator from Kansas knows, I am sure, after listening to the testimony, that that is impossible.

I protest against an uninformed, unconsidered, and what I consider, to be a reckless exercise of power to reduce a budget estimate for an agency of this character, which is as vital, if not more vital to national defense, than any other item in our defense. I cannot help but think of the appropriation which went through the Senate in the naval appropriation bill. It contained \$125,000,000 for one airplane carrier. I am informed that that is only a down payment. Before it is fully equipped the amount will be approximately \$200,000,000.

I certainly think that this reduction, which unfortunately has been confirmed in part by the Senate Appropriations Committee, is to be very much deplored.

I will say, in conclusion, on my own responsibility that there is no one in this Congress who has considered the budget who has approached the matter with an eye to carrying forward a program which the people in charge of it say is absolutely necessary to our national defense.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McMAHON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I may say to the Senator that I heard much of the discussion concerning the Atomic Energy Commission. I was present when this matter was discussed. The House cut the amount for the use of periodicals down to \$50. The Commission last year spent \$8,000 for periodicals. The Senate committee restored that amount. The Commission asked for \$1,842,000 for travel, and we gave them that, or very nearly that much. The House reduced the appropriation \$48,000,000. The Senate restored \$20,000,000 of that amount and eliminated many of the restrictions concerning the use of the funds. The Atomic Energy Commission told us that if those restrictions were released and they were given more freedom in the use of their funds, it would help them and would make it less expensive for the Government, in the long run. So, we felt, that by reducing the restrictions and restoring half of what was eliminated by the House we were giving them practically all the money they could use and all they had asked for. The restrictions are very much less, and the funds are within \$28,000,000 of what they asked for. In other words, they have the funds appropriated to use for research, housing, and every other incidental administrative expense, without the restrictions under which they have operated in the past few years. As one member of the committee who supported the chairman in connection with the question, I felt we were giving the Commission all they could use or were entitled to use, and that they would be satisfied with the result.

Mr. McMAHON. Mr. President, I do not wish to embarrass the committee or any Senator who is a member of it, but I should like to know how long the budget was considered in the Appropriations Committee. What was the total length of time given for consideration? I do not think it was over 2 hours, was it?

Mr. REED. Oh, yes. There were 2 days of hearings at which all the witnesses were heard. The Atomic Energy Commission, in addition to the cash appropriations is given general contract authorization for \$400,000,000, which is the full amount of contract authorization which the Commission requested. That appears on page 12 of the committee's report.

Mr. McMAHON. I should like to quote a sentence from the House committee report:

The committee also believes that an adjustment can be made in the item for research in the nonweapon, nonbiological,

and nonmedical phases of the research and development program.

In other words, as I read it, they must cut down on basic research out of which possibly new and great discoveries will come forth, and concern themselves only with atomic weapons. With that spirit and that belief, I certainly cannot find myself in agreement. I therefore move that the committee amendment be amended by striking out "\$521,850,000" and inserting "\$550,000,000" in lieu thereof.

The PRESIDENT pro tempore. The Clerk will state the amendment offered by the Senator from Connecticut.

The CHIEF CLERK. On page 3, line 16, it is proposed to strike out "\$521,850,000," and insert "\$550,000,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "United States Maritime Commission," on page 5, line 20, after the word "Commission," to strike out "\$68,360,775" and insert "\$69,360,775."

The amendment was agreed to.

The next amendment was, on page 6, line 3, after the word "exceed", to strike out "\$10,600,000" and insert "\$11,600,000."

The amendment was agreed to.

The next amendment was, on page 6, line 18, after the numerals "1948", to insert a colon and the following additional proviso:

Provided further, That the Commission may expend amounts to acquire the vessels Mariposa and Monterey and materials and equipment in conjunction therewith on hand or committed for and expend the amounts necessary to complete the vessels, if required for the development and maintenance of the commerce of the United States and for use of the United States in time of war and national emergency, from any amounts available within this limitation.

The amendment was agreed to.

The next amendment was, on page 8, line 16, after the name "New York", to strike out "Pass Christian, Miss."

Mr. EASTLAND. Mr. President, I should like to have an explanation of that committee amendment.

Mr. REED. Mr. President, there was estimated by the Bureau of the Budget this year for maritime training the sum of \$6,868,000. The House increased that somewhat. In the course of the hearing of officials of the Maritime Commission Admiral Smith, its chairman, appeared and I asked him:

Did you agree with the Budget on the estimate it made originally?

Admiral SMITH. Yes, sir.

Senator REED. That you can get along on that?

Admiral SMITH. We can if we leave Pass Christian out of the picture. It was dam-

aged last September by the hurricane. * * * I was not present when that was discussed before the House committee.

Mr. President, Pass Christian was not included by the budget. The Maritime Commission, through its Chairman, says they can get along without the school. It is not now in operation. It will take \$600,000 to open it up and place it in operation. The cadets at Pass Christian have been transferred to the main cadet school at Kings Point, N. Y., and they are getting along reasonably satisfactorily, I should say.

Mr. EASTLAND. Mr. President, the House hearings show that the Maritime Commission did request this school. The distinguished Senator from Kansas says that the cadets have been transferred to Kings Point, N. Y., where they are getting along all right. That is a school which cannot be operated the year round. The school at Pass Christian is a school which can be.

Mr. REED. I beg pardon; the Senator from Mississippi certainly does not mean to say that the Kings Point Academy cannot be operated the year round.

Mr. EASTLAND. That is the testimony of Representative Boggs, from Louisiana, before the House committee. Further, on a per capita basis the school at Pass Christian can be operated more cheaply than any other school.

Mr. President, let me state what is involved. A few years ago the United States Government bought a fine hotel on the Gulf Coast of Mississippi named "Inn-By-The-Sea." It was one of the nicest hotels in the southern part of the United States. That hotel was converted into this school. A hurricane occurred last fall which damaged the property. The estimates show that it will take about \$75,000 to repair the buildings. The buildings are permanent structures, and the Government today has an investment there of \$2,000,000. It is proposed that we junk that investment, when we should operate the school, because, the hearings show, it can be operated more cheaply on a per capita basis than any other school of the Maritime Commission.

Mr. President, in the southern part of the United States, on the Gulf of Mexico, there is the second port of this country, the port of New Orleans, which is served by this school. The great port of Houston, Tex., is served by this school. The great port of Mobile, Ala., is served by this school, and the State of Florida is served by this school.

It seems to me that this part of the Gulf coast area is entitled to this institution, and that it is very poor business on the part of the American Government to junk an investment of \$2,000,000 and turn it over to the War Assets Administration where it would be sold in all probability for 30 or 40 or perhaps 50 thousand dollars. It is poor business to junk that school in order to operate a school where it will cost more money per capita to give the students the same training they would get on the Gulf coast, in an area where the climate is ideal, and where all the facilities are available.

Mr. President, I do not ask the Senate to act on my statement alone, but to reject the amendment.

Mr. REED. Mr. President, we get along with one Army cadet school at West Point, N. Y., we get along with one naval cadet school at Annapolis, Md. Whoever said it was not possible to operate the Kings Point Merchant Marine Academy in New York the year round clearly did not know what he was talking about. I was chairman of the Board of Visitors this year. We went to Kings Point last month, spent a couple of days there, and went over the whole training program. The cadets who were at Pass Christian before the hurricane have been transferred to New York, and we have one successful operating merchant marine cadet school.

I do not want to see this property junked, any more than does anyone else. Our committee and the Board of Visitors this year—and, incidentally, there were more Democrats on it than Republicans—are not quite happy about the whole program, and we are holding a further meeting of the Board of Visitors as soon as we are relieved from the present pressure.

The Maritime Commission chairman testified that the Pass Christian School was not necessary, the Bureau of the Budget did not include it in its estimates, and we have provided in the bill the exact amount of money the Bureau of the Budget estimated was necessary for the training school.

Mr. EASTLAND. Mr. President, the Senator stated that the person who said that the Kings Point School was not operated the year round did not know what he was talking about. The testimony before the House committee appears on page 725 of the hearings on the supplemental independent offices appropriation bill for 1949. I quote from the testimony of Representative Boggs:

There is a very good reason for this economy. The school—

Speaking of the Pass Christian school—

operates the year round with outdoor activities. They can get out on the Gulf of Mexico and Bay St. Louis and perform the necessary maritime functions in the dead of winter. They cannot do that at Kings Point.

Mr. REED. The Senator certainly is not undertaking to say it is not possible to operate the school at Kings Point the year round. Of course, the climate is more severe in New York.

Mr. EASTLAND. They cannot get out on the sea at Kings Point the year round, and the object of the school is to get maritime training, which can be done on the Gulf Coast.

Mr. REED. The Pass Christian school has been limited in its use heretofore, I think, to the first year of training only. The Kings Point school has a complete course. The Pass Christian institution has been operated on the basis of 1-year students, the first year student course, if my recollection serves me correctly.

The only question is whether or not we wish to spend \$600,000 to use a school that is not necessary. The Maritime Commission has testified it can get along

without it, and it was not included by the Budget in the estimate.

Mr. EASTLAND. Mr. President, the Maritime Commission has recommended an appropriation for this school. The recommendation is in the House hearing, and I submit it is certainly the part of economy to make the appropriation. Here is a \$2,000,000 investment which can be put back into its original shape for \$75,000, and then we will have a school that will cost less to operate than any other maritime school in the country. If this amendment shall be defeated, and the Pass Christian activity carried on, the Government will actually save money. I cannot see the point in taking a meat ax and deliberately striking down an installation for no good reason whatever. The program is one which will actually save money to the Treasury. I ask the Senate to reject the committee amendment.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. STENNIS. We have a situation in which the Maritime Commission has asked for a continuation of this school. We have a situation in which the facts show that certainly it is far easier to have a continuous year-around training of all types and kinds at Pass Christian than at the other school. We have the undisputed evidence that the per capita training cost at Pass Christian is less than at any other institution.

No survey has been made and no special inquiry has been made to review those facts. We are called upon now more or less to adopt a change of policy in the few fleeting minutes of the last dying hours of this session of the Congress. This school, as I understand, has one of the very finest records in the Nation, and maritime training was something that came to the rescue and filled in the breach in a most wonderful way during the war. I understand that splendid training has been continued. I believe that if it had not been for the act of God, or the circumstance of a storm which partly damaged this place and requires some repairs, that this matter would never have come up, or that the appropriation for the Pass Christian station would not have been stricken out. The comparatively small sum of \$60,000 is required to salvage a \$2,000,000 physical equipment.

What is now proposed to be done by the amendment is not based on a complete investigation, not on any determination to change the policy or change the kind of training, not on any rule of necessity. I submit that it is not on the basis of a rule of reason that in the few remaining hours of the present session of Congress, it is proposed to delete appropriations for this school from the bill. I hope the Senate will seriously consider the matter and give due credit to the splendid record made at Pass Christian, and the wonderful advantages that exist there.

As has previously been said, the station serves the ports all the way across from Texas to Mobile, Ala. I hope the Senate will not be too hasty in its action. I hope we will consider the matter seriously, and, in view of the very fine record

that has been made, and the very fine service being rendered, the Senate will permit this station to continue. As I understand, \$60,000 is required for repair, and of course then there will be another amendment providing \$620,000 for operations.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. ELLENDER. I notice on page 8 of the bill that aside from the Pass Christian School there is one at Kings Point, N. Y., and another at Sheepshead Bay, New York, N. Y., one at St. Petersburg, Fla., and one at Alameda, Calif. Did the committee give consideration to those various schools?

Mr. REED. Yes.

Mr. ELLENDER. For instance, how does the one at Sheepshead Bay compare with the one at Pass Christian?

Mr. REED. The Sheepshead Bay School is quite a different school and operated for different purposes than the Pass Christian School. The Sheepshead Bay School is what is called a refresher school, where short courses are taken by men already in the service.

Mr. ELLENDER. Which of the schools named conduct the same classes of teaching as at Pass Christian?

Mr. REED. The Kings Point.

Mr. ELLENDER. And that is principally to supply the port of New York?

Mr. REED. Oh, no; that is a United States school.

Mr. ELLENDER. I understand that, but it is located there, I suppose, because of the port of New York?

Mr. REED. I suppose it was located near the largest port of the United States so that its cadets could have the advantage of actual training and contact with shipping.

Mr. ELLENDER. Nearby?

Mr. REED. Yes.

Mr. ELLENDER. How does the Alameda, Calif., school compare with that of Kings Point?

Mr. REED. That is a very similar school.

Mr. ELLENDER. That, I presume, is located near San Francisco and San Diego?

Mr. REED. I am not very familiar with the Alameda school.

Mr. ELLENDER. The Senator knows, does he not, that the port of New Orleans is the second largest in the country?

Mr. REED. It is a very large port.

Mr. ELLENDER. Yes; it is the second largest in the country. Why would it not be advantageous to have a school developed there so as to train the seamen as is done at New York and on the Pacific coast?

Mr. REED. In answer to the Senator from Louisiana I will say that we are able to train all our Army officers at one academy, that at West Point, N. Y. We are able to train all our naval officers at Annapolis, Md. I do not know of any reason why, by the same token, we cannot train all our merchant-marine officer force at Kings Point, N. Y.

Mr. ELLENDER. Following that argument then, why not strike out all the others and leave just one at Kings Point, N. Y.

Mr. REED. I am not sure that in the end when we come thoroughly to overhaul the matter of merchant-marine training something of that kind may not be done. We are not proposing that now. The Pass Christian School is not in operation. Its buildings were damaged. The Bureau of the Budget did not increase the amount, and the Chairman of the Maritime Commission says they can get along without it. That is the situation.

Mr. ELLENDER. I understand from the record that the Maritime Commission has recommended it. Is that not true?

Mr. REED. I do not know, but they did not recommend it to our committee.

Mr. ELLENDER. I think it is shortsighted on our part to eliminate the Pass Christian School for the present. Why not keep it in operation so that later on, if it is the intention of the Congress to have but one school, Pass Christian might be selected for the reasons assigned by the distinguished Senator from Mississippi [Mr. STENNIS]?

Mr. HILL. Mr. President, in reference to the position of the Maritime Commission with respect to the continuation of the school and its work at Pass Christian, Miss., permit me to say that on page 726 of the House hearings there appears a copy of a letter addressed to Hon. James H. Webb, Director of the Bureau of the Budget, Washington, D. C., under date of May 7, 1948, just a little over a month ago. The letter was written to Mr. Webb by Hon. W. W. Smith, Chairman of the Maritime Commission. Among other things Chairman Smith had this to say about the Pass Christian School:

Your attention is invited to the fact that there have been material changes in the international situation since the Bureau of the Budget acted upon our request for the restoration of the cadet school at Pass Christian. The President has approved a program for building additional vessels which will require additional trained personnel for their operation. Secretary of the Navy John L. Sullivan, in an eight-page statement given before the House Committee on Merchant Marine and Fisheries in its survey of the status of the American merchant marine relative to the world situation presently facing this country, declared that those responsible for the administration of our readiness program are conscious of the necessity of scrutinizing closely the present condition of our merchant marine in order to determine what its shortcomings may be from the standpoint of national security.

Then Chairman Smith proceeded to say:

In order to carry out during fiscal year 1949, an appropriate program in the operation of the cadet school at Pass Christian the Commission recommends that the following additional budget provisions should be made:

For a class of 200 midshipmen on a 10-month basis (Sept. 1, 1948, to July 1, 1949)-----	\$500, 000
For restoration of the physical establishment-----	100, 000
Total-----	600, 000

There is the recommendation, Senators, of the Chairman of the Maritime Commission, speaking for the Commission a little more than 30 days ago.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. EASTLAND. Of course it is our policy to build up and maintain a merchant marine. It is necessary for the defense of the country. Is not this installation of great benefit to the port of Mobile, in the Senator's State?

Mr. HILL. The installation is of great benefit, of course, to the port of Mobile, the port of New Orleans, and other ports.

Mr. EASTLAND. I was about to ask the distinguished senior Senator from Louisiana [Mr. ELLENDER] if the installation is not a great benefit to the port of New Orleans.

Mr. ELLENDER. I so stated a moment ago in answer to the distinguished Senator from Kansas.

Mr. EASTLAND. It could not be filled if it were necessary to send to the State of New York for personnel.

Mr. HILL. The Senator knows that the State of New York is thousands of miles away from the Gulf area. The Maritime Commission recommends continuance of the operation of this school. Secretary of the Navy John L. Sullivan emphasizes the importance of the merchant marine of the United States to our national security. He emphasizes also the importance of closely scrutinizing the entire question before any action is taken which would in any way be detrimental or harmful to our American merchant marine.

This question came before the House Committee on Appropriations. We know how thoroughly the subcommittee of the House Committee on Appropriations study all questions before them. The subcommittee of the House Committee on Appropriations held hearings on this subject. It did exactly what the Secretary of the Navy said should be done. It scrutinized this proposal. After the hearings, and after consideration of the facts, the committee recommended continuation of the school.

Why should the Senate, without any opportunity to examine the question fully, overrule the Maritime Commission, the House Committee on Appropriations, and the House of Representatives, without any basis for such action?

What I am pleading with the Senate this afternoon to do is to permit this item to remain in the bill, where it was placed by the House. Then, as the distinguished chairman of the Senate subcommittee has suggested, at some later date the entire program of the Maritime Commission cadet training can be gone into. We can look into the entire situation. But there is no opportunity to do that today. On the other hand, we know that the training at the Pass Christian School is the lowest in per capita cost. We know that because of the wonderful climate, year-round training can be carried on in a way that it cannot be carried on at other training places. We know that the Government has between \$1,500,000 and \$2,000,000 invested in properties there. If those properties are closed down and turned over to the War Assets Administration, what will that mean? It will mean that they will be sold for probably nothing more than salvage value, which will not amount to a bagatelle. We ought to preserve this property and continue the training. We

ought to carry on this program, as the House decided, and as the Maritime Commission has recommended, at least until we have had an opportunity to study the entire subject.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. EASTLAND. The argument made by the distinguished Senator from Kansas [Mr. REED] is that the hurricane has closed the school. The cost of restoring it to its original shape is only incidental and minor. The real question at issue is that the school is operated more cheaply, and the men are trained more cheaply than at any other place. We are running off after a minor item, to pick up a dime and put it in our pocket while throwing dollars away with the other hand. It is not economy. It is bad business.

Mr. HILL. If we reject the action of the House, and, without having gone into the subject, proceed to adopt the committee amendment, we shall be penny-wise and pound-foolish.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). The question is on agreeing to the committee amendment on page 8, line 16. [Putting the question.]

Mr. ELLENDER, Mr. PEPPER, and Mr. HILL addressed the chair.

The PRESIDING OFFICER. The "ayes" have it, and the committee amendment is agreed to.

Mr. HILL. Mr. President, a point of order. The Senator from Louisiana was seeking recognition.

Mr. PEPPER. So was the Senator from Florida.

Mr. HATCH. Mr. President, I ask unanimous consent that the vote just announced be reconsidered.

The PRESIDING OFFICER. The Senator from New Mexico asks that the vote just taken be reconsidered. Without objection—

Mr. ELLENDER. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, I move that the vote by which the committee amendment was agreed to be reconsidered.

Mr. ELLENDER. Mr. President, I did not hear any Senator vote.

The PRESIDING OFFICER. The Chair thinks it is fair to say that the Senator from Florida was on his feet as the Chair was putting the question. Without objection, the vote by which the committee amendment was agreed to is reconsidered, and the Chair recognizes the Senator from Florida.

Mr. PEPPER. Mr. President, the Chair is very kind. The Senator from Louisiana was also seeking recognition. I wonder if I may yield for a moment to the Senator from Louisiana, because I am looking up an item in the record.

Mr. ELLENDER. Mr. President, I had asked for recognition in my own right.

The PRESIDING OFFICER. Does the Senator from Louisiana withdraw his suggestion of the absence of a quorum?

Mr. ELLENDER. I do.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I desire to invite the attention of the Senator

from Kansas to a few paragraphs from a letter addressed by V. W. Smith, chairman of the Maritime Commission, to Hon. HALE BOGGS, a Member of the House, in which he states specifically:

The Maritime Commission believes that this school should be restored and continued in operation. There has been a change in the international situation which in our opinion makes its operation more than ever necessary. This change has occurred since the matter was considered by the Bureau of the Budget.

Since the hurricane damage occurred, we have maintained a small staff at Pass Christian to salvage as much of the loss as possible. It was necessary to maintain the staff, in any event, for maintenance and custody until a disposition of the property was determined. This staff has accomplished repair work to the extent that only \$100,000 additional funds are now necessary to complete the work. Since it would require several months to complete the work and since our next class of cadet-midshipmen is scheduled for admission on September 1, 1948, we would have only 10 months' operation during the fiscal year 1949 and this would require \$500,000, so that if the school is to be restored and operated during that fiscal year, an appropriation of \$600,000 will be necessary. This information will be made available to the House Committee on Appropriations if that committee so requests.

That letter was dated May 6, 1948. Under date of April 9, 1948, I personally addressed a letter to Hon. RICHARD B. WIGGLESWORTH, chairman of the subcommittee on independent offices of the House Committee on Appropriations, which, in a measure, gives my views on this question. I stated to him as follows:

MY DEAR CONGRESSMAN WIGGLESWORTH: This is with reference to a proposal to appropriate moneys for the restoration and maintenance of the United States Merchant Marine Cadet School at Pass Christian, Miss., which is currently being considered by your subcommittee. I should appreciate it if you would consider this letter as a statement of my views in the matter and include it with other testimony which will be considered by the members of your subcommittee.

The facility at Pass Christian is located between two major seaports, New Orleans and Mobile, and it is only about 300 miles distant from Houston and Galveston. It can be easily reached by land, sea, and air. The climate there is ideal for year-round training and is considered superior to the areas where northern installations are situated. This school is the only one of its type located in the South, and we are anxious it be restored on a permanent status.

Young men who have been trained as cadet-midshipmen proved conclusively their capability to serve efficiently and effectively in the United States Navy, and I understand that about 45 percent of the strength of the United States Merchant Marine Naval Reserve is made up from graduates of the Cadet Corps.

We feel that the added stress that is being placed now on national defense and adequate training should make it imperative that this facility be restored and maintained, and we in the Gulf States are very hopeful that your subcommittee will be able to take favorable action in this matter.

Mr. President, as I indicated a moment ago, we intend to build up our merchant marine. In order to have an effective merchant marine, it is necessary to train cadets. As I stated a moment ago, I notice that near the great port of New York there are two schools; there is one

on the California coast; and on the Gulf coast we have five large ports, including New Orleans, the second largest port in the country. I think we are deserving of a school of that type.

Mr. President, I ask that the Senate sustain the House in voting on the amendment.

Mr. PEPPER. Mr. President, I should like to have the attention of the able Senator from Kansas relative to the amendment.

WATER POLLUTION CONTROL ACTIVITIES IN PUBLIC HEALTH SERVICE—CONFERENCE REPORT

Mr. MALONE. Mr. President, I ask unanimous consent to present a conference report on Senate bill 418.

Mr. DONNELL. Mr. President, let me ask the Senator from Nevada whether he contemplates requesting having the Senate take action on the conference report at this time, or is he simply presenting the report.

Mr. MALONE. I do not insist on action at this time.

Mr. DONNELL. I may say that if the Senator is asking for action on the conference report now, in view of the objection of the Senator from Oregon a while ago, and in view of the fact that he is not now on the floor, I would feel constrained to object to a request for action on the conference report at this time.

Mr. MALONE. I do not ask for action on it at this time; I simply submit it.

Mr. BARKLEY. Mr. President, may I ask the Senator the subject of the conference report?

Mr. MALONE. It is the stream-pollution conference report.

So, Mr. President, I submit the report.

The conference report submitted by Mr. MALONE, and ordered to lie on the table, is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 418) entitled "An Act to provide for water pollution control activities in the Public Health Service of the Federal Security Agency and in the Federal Works Agency, and for other purposes" having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with amendments as follows:

Page 2, line 12, of the amendment of the House, strike out the words "hereinafter declared to be a public nuisance."

Page 2, lines 13 and 14, of the amendment of the House, strike out the words "such interstate waters and tributaries thereof", and insert the following words "surface and underground waters."

Page 9, line 11, of the amendment of the House, strike out the figure "\$200,000" and insert the figure "\$250,000."

Page 11, line 25, of the amendment of the House, strike out the figure "\$20,000,000" and insert the figure "\$22,500,000."

Page 12, line 25, of the amendment of the House, after the words "study of" insert the word "water", and strike out the word "of" after the word "pollution."

Page 13, line 1, of the amendment of the House, strike out the words "interstate waters."

Page 13, line 2, of the amendment of the House, before the word "pollution" insert the word "water", and after the word "pollution" strike out the words "of interstate waters."

Page 14, line 17 through line 23, of the amendment of the House, strike out all after the words "Sec. 9 (a)" and insert the following: "Five officers may be appointed to grades in the Regular Corps of the Public Health Service above that of senior assistant, but not to a grade above that of director, to assist in carrying out the purposes of this Act. Officers appointed pursuant to this subsection in any fiscal year shall not be counted as part of the 10 per centum of the original appointments authorized to be made in such year under section 207 (b) of the Public Health Service Act; but they shall for all other purposes be treated as though appointed pursuant to such section 207 (b)."

And the House agree to the same.

GEO. W. MALONE,
CHAPMAN REVERCOMB,
JOHN L. MCCLELLAN,

Managers on the Part of the Senate.

GEO. A. DONDERO,
J. HARRY MCGREGOR,
PAUL CUNNINGHAM,
JAMES C. AUCHINCLOSS,
WILL M. WHITTINGTON,
JOHN A. BLATNIK,
TOM PICKETT,

Managers on the Part of the House.

EXECUTIVE AND INDEPENDENT OFFICES SUPPLEMENTAL APPROPRIATIONS, 1949

The Senate resumed the consideration of the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

Mr. PEPPER. Mr. President, I should like to have the attention of the Senator from Kansas for a moment.

Mr. REED. Mr. President, I have discussed this matter with the Senators who have spoken on it. I have agreed to accept an amendment, as follows: To insert in the bill the sum of \$75,000 to be used in the repair of the Pass Christian buildings which were destroyed or damaged by a hurricane. That amount is reported to the committee as being sufficient to put the property in usable condition. Then we shall leave for further consideration the question of operation.

The PRESIDING OFFICER. The Chair understands that the Senator from Kansas modifies the committee amendment accordingly.

Mr. PEPPER. Mr. President, that amendment pertains only to Pass Christian; does it?

Mr. REED. Yes.

Mr. PEPPER. Will the Senator from Kansas kindly tell us what was the House appropriation for the whole maritime training fund?

Mr. REED. The budget estimate for maritime training was \$6,868,000. The appropriation for this year was \$7,320,000. As the House passed the bill, it provides for an appropriation of \$8,131,080.

The Senate committee adopted the Budget figure, and has used the Budget figure, which will be increased by \$75,000 because of the agreement just made.

Mr. PEPPER. Mr. President, will the Senator please tell us what reductions

will be necessary because of reducing the figure from \$8,131,080, as approved by the House, to \$6,868,000, as recommended by the Bureau of the Budget and by the Senate committee? For example, one of the schools is at St. Petersburg, Fla. There are many other of these training schools. I wonder what the plan or pattern is and what the reason for the action of the Senate committee is.

Mr. REED. The main reason, and the subject of most of the consideration, was the fact that the Budget estimated a certain sum as necessary and sufficient, and the committee has worked under that proposal. Of course, to that sum should be added the amount of the agreement just made.

Mr. PEPPER. Mr. President, I realize there are many times when the committee follows literally the recommendations of the Bureau of the Budget, and there are other times when the committee is not very much persuaded by the recommendations of the Bureau of the Budget. I think it has generally been the policy of the Congress to wish to see for itself what are the issues in connection with an appropriation, and to determine for itself what the need is and what the merit is, without slavish, obsequious regard to what the Bureau of the Budget may recommend.

I should like to have the Senator from Kansas tell me how much of a reduction in the training program of the Maritime Commission will be caused by the proposed cut from the House figure of \$8,131,080 down to \$6,868,000, the latter amount being considerably lower than the appropriation and expenditure for the present year.

Mr. REED. I cannot tell in just what schools and to what extent reductions will be made. Obviously it is impossible to operate as extensively if the appropriation is made as recommended by the Bureau of the Budget, instead of as passed by the House. Of course, a larger amount would permit more extensive operations.

How the proposed decrease will affect St. Petersburg, the Senator from Kansas cannot undertake to say. Certainly it will not close down St. Petersburg.

Mr. PEPPER. Then I am afraid we shall have to decide for ourselves whether it will be wise to make a reduction in the amount as voted by the House, or whether we shall say that the amount of the appropriation shall be \$6,868,000 simply because the Bureau of the Budget recommends that amount.

The Senator has already said there was no accurate weighing of this program and no determination of where cuts should be made or why.

Mr. President, we have ships laid up in various parts of the United States, and they are available for emergency war use. The Congress is now in the midst of the consideration of a draft bill. We have made colossal expenditures for national defense purposes. Expenditures for maritime training are as much a part of national defense expenditures as any other expenditures we are making, because we cannot fight a war and have a secure country unless we have an adequate merchant marine; and we cannot

have an adequate merchant marine unless we have sufficient men to man the ships; and of course they cannot effectively man the ships unless they are trained for that task.

We now have under consideration the maritime training program. I am afraid that the significance and importance of the maritime to the national defense program has not been fully appreciated.

If the Senator will permit me to do so, I should like to recall to his mind that last year, had it not been for the House of Representatives, many of these maritime training schools would have been closed. It was only because of the determined fight made by the House of Representatives that, for example, we were able to retain the splendid maritime training school at St. Petersburg, Fla. It would have been closed a year ago if our distinguished committee had been the one to determine whether it should survive or should not survive.

So, when this year the House, again in recognition of the importance of this maritime training program, has tried to provide for sufficient men to man the ships that are stored and also the ships that are being built, we now find that our committee says, "We have simply taken the Budget recommendation, and that is what we are offering to the Senate." When the committee says that, I say that if the House of Representatives—which has been a friend of this program and has made a careful study of it, as the record shows, and has heard the maritime people, who have given their reasons for the continuation of this program without curtailment—recommends a larger appropriation, then I see no reason, simply because the Bureau of the Budget recommends a smaller amount, for us to follow slavishly the Budget recommendation.

It is my opinion that we should support the amount as carried in the bill as passed by the House, and that we should provide for that figure in the bill. I shall address myself to that subject.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to my able colleague.

Mr. HOLLAND. I wish to ask my colleague if it is not true that the cut made by the Senate committee in the appropriation as passed by the House is a cut of more than 20 percent in the amount of the appropriation for the training program.

Mr. PEPPER. It is.

Mr. HOLLAND. Is it not also true that the European recovery and relief measures which have been passed by the Congress require, among other things, the return to commission and to active work of many ships of the Maritime Commission which have been lying idle.

Mr. PEPPER. That is correct. The Senator is absolutely correct. Mr. President, in the RECORD, Admiral Knight, appearing before the House committee, testified they would need these men, need them trained, in order to man the ships we are building and those which are tied up today awaiting an emergency. What sort of forethought and fore-

sightedness would we execute and exhibit here if we built the ships and then did not have trained men to operate them? How would it be possible to have a merchant marine and depend upon drawing in men who were not known to be qualified to man those ships to meet the emergency? Why have ships and not have the men to man the ships? Obviously it is a blow at our national security and our national defense, if we do not sustain a program of this minimum financial proportion that may be so meaningful to the security of the country should an emergency occur.

Mr. President, my colleague and I, in our State, and I am sure other Senators in some other States where these different schools are located, have visited the training schools. If they never saw a ship, what the Maritime Commission is doing in making the young men better Americans would justify every dollar of the investment. The young men volunteer. They come into the schools. They are given training in the manning of ships in maritime operation. At the same time, they are given character building; they are given health building; They are better Americans. I never saw a finer group of young men than I have seen in the training schools, who are training themselves to be able to man the merchant marine of America.

Mr. President, there have been many times in our history when we have been short-sighted in our maritime policy. There have been times when we have let our merchant marine shrink to nothing. There have been times when American goods could not be carried in American bottoms, and we were dependent even for the movement of our fighting men upon the ships of our Allies. We have seen the fallacy and the folly of such policies as that in the past few years. Fortunately before World War II we started to build up our merchant marine again. I am afraid there have been some who have been willing to let it disintegrate too rapidly. But what does it mean to have the ships if we do not have the men? And, Mr. President, if we are to have men, we want trained men to man those ships. It is said we had men in the merchant marine during the war. Yes; we had 125,000 of them I believe. They have scattered to the four winds of the country and of the world, and we are not going to call back the old soldiers again; we are training new men to make secure the defense of the country.

The total program as recommended by the House of Representatives for all these schools, for all attributes of the program, would cost only \$8,133,000. Yet this cut, as my able colleague has pointed out, means a diminution of 20 percent. That will mean boys will have to go home from the training school. They will not be able to learn the tasks they came there to skill themselves in.

I sincerely hope and believe it is wise policy, Mr. President, I believe it is a sound contribution to the national security, I believe it is good judgment, I believe it is a good investment, to follow again this year as we reluctantly did last year the lead of the House of Representatives, which made a special study of the

program, having taken prolific testimony on the subject. They tell us that \$8,133,000 is needed. I hope the amended committee amendment will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended. Without objection, it is agreed to. The clerk will state the next committee amendment.

Mr. PEPPER. Mr. President, the Chair does not mean that he has disposed of the question to which I was addressing myself without a vote, does he?

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment, as amended. [Putting the question.] The Chair is in doubt.

Mr. STENNIS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point.

Mr. STENNIS. We had agreed on the Pass Christian matter. My inquiry is, Does the amendment now under consideration affect it?

Mr. REED. It does not.

Mr. PEPPER. No.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hawkes	O'Mahoney
Baldwin	Hayden	Pepper
Ball	Hickenlooper	Reed
Brewster	Hill	Revercomb
Bricker	Hoey	Robertson, Va.
Bridges	Holland	Robertson, Wyo.
Brooks	Ives	Russell
Buck	Jenner	Saltonstall
Butler	Johnson, Colo.	Smith
Byrd	Johnston, S. C.	Sparkman
Cain	Kern	Stennis
Capehart	Knowland	Stewart
Connally	Lucas	Taft
Cordon	McClellan	Taylor
Donnell	McFarland	Thomas, Okla.
Downey	McGrath	Thye
Dworshak	McMahon	Tobey
Eastland	Magnuson	Tydings
Eaton	Malone	Umstead
Ellender	Martin	Vandenberg
Feazel	Maybank	Watkins
Ferguson	Millikin	Wherry
Flanders	Moore	White
Fulbright	Morse	Wiley
Green	Murray	Williams
Gurney	Myers	Young
Hatch	O'Connor	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. PEPPER. Mr. President, I should like to ask the Senator from Kansas a question. There is some little confusion apparently about the over-all appropriation and the amount for the restoration of the buildings at Pass Christian.

I think we all agree that in some appropriate manner there will be \$75,000 added to the amount of the committee amendment, will there not, to take care of the restoration of the buildings at Pass Christian?

Mr. REED. There was quite a bit of confusion and I did not clearly understand the Senator's question.

Mr. PEPPER. I merely wished to be sure that we were clear about what the procedure was. The able Senator from Kansas had agreed with the Senator from Mississippi and others interested in Pass Christian School that he would consent to a \$75,000 addition, I assume

to the amount recommended by the Senate Committee on Appropriations for the restoration of the damaged buildings at Pass Christian.

Mr. REED. Yes.

Mr. PEPPER. In order to accomplish that I suppose the Senator would amend the \$8,133,000 figure and add \$75,000 to it.

Mr. REED. Seventy-five thousand dollars, added to whatever figure is in the bill. I do not recall the exact amount.

Mr. PEPPER. Add \$75,000 to the figure in the bill?

Mr. REED. Yes.

Mr. PEPPER. That can be voted upon after we determine the larger question or it can come first, whatever the Senator from Mississippi may prefer.

Mr. REED. It has been accepted.

Mr. PEPPER. Mr. President, there are two problems. One is the operation of the schools, and the other is the restoration of the building. Merely to restore the building does not mean the school will be there, of course. I am sure, if we carry this program forward as we should, what should be done is to add \$75,000 to the amount agreed upon for the program. If we agree upon the larger amount, then \$75,000 for construction should be added. If we agree to the smaller amount, the same addition should be made to restore the school.

Mr. REED. If the amendment of the Senator from Florida is defeated, as I hope it will be, that will not affect the agreement.

Mr. PEPPER. That is correct.

Mr. President, a few Senators have just entered the Chamber. Is it the pleasure of the Senate to have a ye-and-nay vote?

Mr. REED. Mr. President, I should like to have about 3 minutes to state the case.

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. REED. I do not know that I have the floor. I think the Senator from Florida has the floor.

Mr. PEPPER. I was saying, before some of the Senators came into the Chamber, that the House of Representatives had made a careful study of the question of the maintenance of the maritime training program. Not only did the House committee make a study, but it took lengthy testimony. I have a great many pages of the testimony here. The House Committee on Appropriations went into detail in connection with the maritime-training program. The House approved an appropriation of \$8,133,000 for the entire training program.

With all respect to the Senate Appropriations Committee, when the matter came before that committee the committee took only half a page of testimony. They merely asked the officers regarding the budget estimated. The Budget had recommended \$8,686,000. Of course the Maritime Commission spokesmen had to say that they agreed to the Budget figure. They could not say anything else. But they did not say that it was an adequate figure, or that that was the figure which should be allowed.

The question is whether we should take the House figure of \$8,133,000, or whether we should take the Budget esti-

mate, with only half a page of consideration and testimony given to the whole subject.

Mr. President, this is a national-defense program. Hundreds of our ships are laid up all over the country for use in an emergency. It is short-sighted not to train the men to man those ships. That is what the program is intended to do. We are making a 20-percent reduction in the training program, which I submit is a danger to our national security and a very serious blow at the efficacy of the whole maritime program and the effectiveness of the maritime strength of the Nation. That is the reason I am contending, Mr. President, that the House figure of \$8,133,000 should be preserved and that the Senate committee amendment reducing the amount 20 percent should not be adopted.

Mr. REED. Mr. President, I shall take only about 2 minutes, and then I should like to have a record vote.

The subcommittee and the full committee met the Budget's full figure. The Budget rejected some recommendations of the Maritime Commission, but in this bill we gave the full Budget figure for maritime training.

In addition, when Admiral Smith, the Chairman of the Maritime Commission, was before our committee, I asked him:

Did you agree with the Budget on the estimate it made originally?

His answer was, "Yes, sir."

I then asked him, "Can you get along on that?"

And he answered in the affirmative. That is found at page 80 of our hearings.

The Senator from Florida is talking about a common seaman school, not an officer school at all, down at St. Petersburg, Fla. They now have a 6-months' course, and probably they can get along with a 3-months' course. The young men go to that school when they are out of jobs.

Mr. President, I hope the Senate will sustain its committee on the vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. PEPPER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I do not care to discuss this amendment, but I do desire, in the closing hours of the session, to call to the attention of the Senate the serious lack of common seamen in the United States. The situation is so bad that we were required, at the last session, to pass a law waiving the prohibition against employing alien seamen to serve on American ships. Many of our ships have to be manned with alien seamen. There is not an officer demand, but there is a demand for common seamen. Whether the school is the answer or whether apprenticeship is the answer, I do not know, but few of our young men are taking to the sea. I do hope we are cognizant of the situation. I am going to vote against the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 9, line 4, in the committee amendment, to strike out "\$6,868,000" and insert "\$6,943,000", of

which \$75,000 shall be available for restoration or repair of buildings at the training station at Pass Christian, Miss."

Mr. REED. Mr. President, that is the committee amendment as amended. I understand the Senator from Florida has moved to substitute some other figure.

Mr. PEPPER. No, Mr. President; we are merely opposing the committee amendment. The committee amendment would make the cut from the House figure of \$8,133,000 to \$6,686,000. We are merely opposing the committee amendment. The question is on the committee amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Kansas [Mr. CAPPER], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent. If present and voting, the Senator from Massachusetts [Mr. LODGE] would vote "yea."

The Senator from Kentucky [Mr. COOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Iowa [Mr. WILSON] are detained on official committee business. If present and voting, the Senator from Iowa [Mr. WILSON] would vote "yea."

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Texas [Mr. O'DANIEL] are absent on official business.

The Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

The result was announced—yeas 61, nays 19, as follows:

YEAS—61

Aiken	Green	Revercomb
Baldwin	Gurney	Robertson, Va.
Ball	Hawkes	Robertson, Wyo.
Brewster	Hickenlooper	Russell
Bricker	Hill	Saltonstall
Bridges	Hoey	Smith
Brooks	Ives	Stennis
Buck	Jenner	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kem	Thye
Cain	Knowland	Tobey
Capehart	McClellan	Umstead
Connally	McGrath	Vandenberg
Cordon	McMahon	Watkins
Donnell	Malone	Wherry
Dworshak	Martin	White
Eastland	Millikin	Wiley
Eaton	Moore	Williams
Ferguson	O'Connor	Young
Flanders	O'Mahoney	
Fulbright	Reed	

NAYS—19

Downey	Lucas	Pepper
Ellender	McFarland	Sparkman
Feazel	Magnuson	Taylor
Hatch	Maybank	Thomas, Okla.
Hayden	Morse	Tydings
Holland	Murray	
Johnston, S. C.	Myers	

NOT VOTING—16

Barkley	Kilgore	O'Daniel
Bushfield	Langer	Thomas, Utah
Capper	Lodge	Wagner
Chavez	McCarran	Wilson
Cooper	McCarthy	
George	Mckellar	

So the committee amendment on page 9, line 3, as amended, was agreed to.

Mr. REED. Mr. President, may I ask that the clerk read the language now in the bill, including the agreement reached respecting Pass Christian, so that we may be sure that it is taken care of.

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The CHIEF CLERK. On page 9, line 3, it was proposed to strike out "\$8,133,080" and insert in lieu thereof "\$6,943,000, of which \$75,000 shall be available for restoration or repair of buildings at the training station at Pass Christian, Miss."

The PRESIDING OFFICER. The Chair asks the junior Senator from Kansas if he desires to have restored in line 16 on page 8, the three words which were stricken out "Pass Christian, Miss."?

Mr. REED. I am glad the Chair called attention to that. The words were stricken out. They should be restored.

The PRESIDING OFFICER. In the light of the amendment just agreed to, the words should be restored. Without objection, the vote by which the committee amendment on page 8, line 16, was agreed to, is reconsidered, and without objection, the words "Pass Christian, Miss." will be restored.

The clerk will state the next committee amendment.

The next amendment was, under the heading "Veterans' Administration," on page 15, line 10, after the word "character," to strike out:

For the purpose of this proviso, training for the purpose of teaching a veteran to fly in connection with his business or occupation in which he is now engaged or for which he is training shall not be considered avocational or recreational.

The amendment was agreed to.

The next amendment was on the same page, in line 14, after the language stricken, to insert the following:

For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly and related aviation courses shall not be considered avocational or recreational when the veteran certifies that he has selected aviation education or training for use in connection with his existing or contemplated business, occupation, or education.

Mr. GREEN. Mr. President, I ask the junior Senator from Kansas if he will not accept a minor amendment in the committee amendment on page 15, line 17, after the word "certifies" to insert the words "under oath." The reason I ask the Senator whether he will accept that amendment is because there are two schools of thought as to this matter. Some believe the Veterans' Administration has been too strict in construing the language of the existing law, and in its requirements as to those who may take this aviation course, and believe that it should be more liberal. Others believe to the contrary. Those who think it should be liberalized have suggested the language now in the amendment. But if a certificate should be taken as the

basis of a man's right to take a course like this, the suggestion has been made that the certificate ought to be under oath.

The PRESIDING OFFICER. The senior Senator from Rhode Island asks that on page 15, line 17, in the committee amendment it be amended by inserting after the word "certifies" the words "under oath."

Mr. REED. There will be no objection to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island to the committee amendment on page 15, line 17.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The next amendment was, on page 17, line 22, after "part VII," to insert "and payments authorized by part IX."

The amendment was agreed to.

The next amendment was, on page 18, after line 8, to strike out:

SURPLUS-PROPERTY DISPOSAL

Effective August 31, 1948, the War Assets Administration shall cease to exist as an agency of the Government, and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) All right, title, and interest in surplus real property and all right, title, and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(4) Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;

(5) Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: *Provided*, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an independent agency of the Government;

(6) The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, 79th Cong.) shall apply to the transfers effected by this paragraph in like manner as

if such transfer were a reorganization of the agencies and functions concerned under the provisions of that act;

(7) Priorities and preferences provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;

(8) The agencies herein authorized to dispose of surplus personal property may, after August 31, 1948, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.

For administrative expenses in connection with the functions herein authorized to be administered by the War Assets Administration, the Treasury Department, the Department of the Air Force, and the Reconstruction Finance Corporation, to be available for the same purposes as the appropriation for salaries and expenses, War Assets Administration, fiscal year 1948, and whenever in such appropriation the title "War Assets Administrator" appears it shall be construed to include his successor as to any of the functions herein transferred, \$50,000,000, from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, to be allocated as the Director of the Bureau of the Budget may determine: *Provided*, That the sum herein provided may be obligated during the period ending August 31, 1948, with respect to the War Assets Administration, and during the period ending March 31, 1949, with respect to the other agencies involved.

And in lieu thereof to insert the following:

SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION, SPECIAL FUND

Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not to exceed \$90,000,000 for the fiscal year 1949 for necessary expenses of the War Assets Administration established by Reorganization Plan Numbered 1 of 1947; for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies

for the care and handling (including pay and allowances and subsistence of military and naval personnel) of surplus property subsequent to the filing of a declaration of surplus covering such property with a disposal agency designated by the Administrator, or, if the Administrator prescribes procedures whereby declarations of surplus are made at approximately the time of disposal or removal, subsequent to notice by the owning agency to the disposal agency that property has been determined to be surplus and is subject to such procedures, such funds to be available for personal services in the District of Columbia; fees and mileage of witnesses at rates provided by law for witnesses attending in the United States courts (28 U. S. C. 600c); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and other special services and reports by contract without regard to section 3709 of the Revised Statutes, as amended, including real estate brokers and appraisers at rates of pay or fees not to exceed those usual for similar services; health service program as authorized by law (5 U. S. C. 150), (not to exceed \$73,000); acceptance and utilization of voluntary and uncompensated services; printing and binding; expenses of attendance at meetings of organizations concerned with the work of the Administration; procurement of supplies, equipment, reports, and services in connection with the care, handling, and disposition of surplus property without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon determination by the Administrator or by any official designated by him for this purpose that such method of procurement is necessary; purchase and procurement of reports of experts or consultants or organizations thereof; advertising, including radio time; maintenance, operation, and repair of aircraft in the Territories and possessions in connection with disposal activities and, in the continental limits of the United States in connection with the disposition of aircraft air airports; acquisition of buildings, lands, leaseholds, and other interests therein, and temporary use thereof for the care, handling, and disposition of surplus property; payments to States, or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus to the Administration by Government corporations; advance of funds to Administration cashiers and collection officials upon furnishing bond, for the purpose of handling cash transactions and making change at surplus property sales: *Provided*, That any employee of the War Assets Administration is authorized, when designated for the purpose by the Administrator, to administer to or take from any person an oath, affirmation, or affidavit, when such instrument is required in connection with the performance of the functions or activities of the War Assets Administration: *Provided further*, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation: *Provided further*, That notwithstanding any other law to the contrary, the War Assets Administrator shall establish and maintain a priority for the benefit of small business in the pur-

chase and disposal and distribution and use of surplus real and personal property. The War Assets Administrator shall implement this small-business priority by appropriate regulation, and the relative order of this priority with respect to other priorities established by the Surplus Property Act of 1944, as amended, shall, with respect to personal property, follow disposals to veterans and States and political subdivisions and instrumentalities thereof, and with respect to real property, follow disposals to former owners, as provided for in the Surplus Property Act of 1944, as amended: *And provided further*, That section 15 of the Surplus Property Act of 1944, as amended, is amended by adding the following subsection at the end thereof:

"(c) Notwithstanding any other provisions of law and in furtherance of rapid absorption of surplus personal property into the domestic economy, and of disposition of surplus personal property in a manner to preclude insofar as possible financial expense to the Federal Government in the care, handling, and disposition of such property the Administrator may authorize without regard to priorities or preferences disposals of such property in such manner and quantities as he deems requisite to the best interests of the economy and the Government in effecting rapid and inexpensive disposals of surplus personal property, securing the most appropriate fair value under the circumstances, and affording to the extent he deems feasible an appropriate opportunity for the acquisition of such property in accordance with the existing provisions of this act."

Mr. REED. Mr. President, I want Senators to have a clear understanding of what we did respecting surplus property disposal. The House terminated on August 31 the War Assets Administration so far as the disposal of surplus property was concerned, and it divided up the functions among four different agencies, the Treasury Department, I believe the Public Works Administration, the Department of Commerce, and perhaps one other.

There was unanimous opposition in our committee, and everyone who appeared before our committee was opposed to that proposal, so we have restored the previously existing situation. The House gave the War Assets Administration \$50,000,000 to continue until August 31. We have added \$40,000,000, making a total of \$90,000,000, which met the requests of the War Assets Administration. It is our thought that we should carry on as we are doing now until we get further along in the disposal of property.

The War Assets Administration has always complained of the slowing down in its work of sale and distribution of property by virtue of the many priorities. By the time they got down to the priorities, frequently their buyer was gone. So we have removed those priorities, except that we leave a priority for veterans, for States, and for small business.

Also, in the matter of personal property only, we have given the Administrator some discretion when he can sell personal property at a fair price to the Government and get rid of it. It is highly important that we go along as fast as we can in cleaning up the surplus-property situation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. O'MAHONEY. Is it not a fact that the committee was of the unani-

mous belief that to split up the War Assets Administration at this time would only result in maladministration and loss to the Government?

Mr. REED. That was our opinion, and the basis of our action and recommendation.

Mr. O'MAHONEY. So the committee amendment is an amendment which is designed to save money to the Government and to prevent inefficient handling of what remains of war surpluses?

Mr. REED. That is correct.

Mr. O'MAHONEY. I ask the Senator whether or not in his judgment it would be desirable to have a yea-and-nay vote on this amendment?

Mr. REED. I think not. There was no opposition. As a matter of fact, the opinion in the subcommittee, the full committee, and I believe in the Senate, is either unanimous or almost so.

Mr. O'MAHONEY. I should like the RECORD to show that there was no dispute in the Senate Appropriations Committee, and that we are unanimous in the opinion that the Senate amendment represents the efficient and economical thing to do.

Mr. REED. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 18, beginning in line 9.

The amendment was agreed to.

The next amendment was, under the heading "General provisions," on page 28, line 6, after the numerals "1949," to insert "and shall be available for examination of appropriation estimates in the field."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. BARKLEY. Mr. President, I see that the Senator from Vermont [Mr. AIKEN] has entered the Chamber. The Senator and I join in offering an amendment which I send to the desk and ask to have stated. We have discussed this amendment with the Senator from Kansas [Mr. REED] and I think there is no objection.

Mr. REED. It will be accepted, Mr. President.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky on behalf of himself and the Senator from Vermont [Mr. AIKEN] will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new heading and a new paragraph to read as follows:

RURAL ELECTRIFICATION ADMINISTRATION

Salaries and expenses: For an additional amount for salaries and expenses, Rural Electrification Administration, fiscal year 1949, including the objects specified under this head in the Department of Agriculture appropriation bill, 1949, \$450,000, such sum to be in addition to amounts otherwise appropriated for such fiscal year.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] on behalf of himself and the Senator from Vermont [Mr. AIKEN].

The amendment was agreed to.

Mr. FERGUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated. I ask the Senator in charge of the bill if he will accept it and take it to conference.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

The CHIEF CLERK. On page 11, line 19, after the date "1946", it is proposed to insert the following: "And provided further, That such authority to make allowances shall, in the case of vessels of the C-4 type, include authority to make allowances for the cost of converting such vessels to vessels of such other types as the Commission may deem to be desirable for the purposes of the domestic or foreign commerce of the United States or the national defense, in an amount not exceeding 75 percent of the purchase price of such vessel, and in addition to expend out of the moneys herein appropriated for new ship construction, reconditioning, and betterment, such amounts as may be further necessary to accomplish such conversion: Provided, That the purchaser shall repay the amount so expended in accordance with the provisions of section 509 of title V of the Merchant Marine Act, 1936, as amended, and any other provisions of said title to the extent applicable."

Mr. REED. Mr. President, the Maritime Commission has on hand a number of vessels of this type. It is a unique type, not suitable for either freight or passenger service, as the vessels are now.

Last year when we were handling this bill a desire was expressed on the part of people in the Great Lakes section to get one of these vessels up into the Great Lakes. In last year's bill we inserted a provision which would permit the Maritime Commission to make such adjustments and changes as would accomplish that purpose. This year the question did not arise in the committee. It arose afterward.

I am perfectly willing to accept the amendment of the Senator from Michigan, to be inserted as he indicates, and take it to conference to see what we can do with it.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. Does not the amendment constitute legislation on an appropriation bill?

The PRESIDING OFFICER. The Chair rules that it is an item of appropriation to carry out the existing law. In other words, it is an item within the general provisions of the bill.

Mr. McMAHON. If I correctly understand, Mr. President, the Senator from Kansas stated that this suggestion was made to him last year in the form of a bill.

Mr. REED. No. When we considered the bill last year we wrote into the bill a similar provision, so far as the Senate was concerned. Last year we had considerable discussion of the methods of disposing of these vessels through the Maritime Commission, and we placed such a provision in the bill.

Mr. McMAHON. How much will this operation cost?

Mr. REED. We are to be paid for the vessels. It will not cost us anything.

Mr. McMAHON. It will not cost the Treasury anything?

Mr. FERGUSON. It will cost the man who buys the vessel. The money will be put up by the Maritime Commission, and then repaid, and the Maritime Commission will get out.

The PRESIDING OFFICER. When the Chair announced his ruling, he was misinformed as to the full nature of the amendment. Upon an examination of the amendment the Chair is of the opinion, and so rules, that the point of order raised by the Senator from Connecticut is well taken.

Mr. FERGUSON. Mr. President, I hope the point of order will not be pressed, because this will be a means for the Maritime Commission to sell one of these vessels for at least half a million dollars. The money to be put up by the Maritime Commission will be repaid, over and above the half million dollars for the vessel. Representatives of the Maritime Commission explained in the testimony that the Commission has on hand a number of these vessels. I do not now recall the exact number, but I think it is either 14 or 17. There is no market for them unless something like this can be accomplished.

Mr. REED. Mr. President, I hope the Senator from Connecticut will not press the point of order. The Maritime Commission has a number of these vessels. I do not know the exact number, but the Commission has a number of them on hand, and anything it can get for them at this time is of advantage to the United States Treasury, and not of disadvantage.

Last year a desire was expressed by people in the Great Lakes area to get one of these vessels up there. Those interested were going to pay half a million dollars, or three-quarters of a million dollars for it.

Mr. FERGUSON. Mr. President, I have just looked at the record. The number, instead of being 14, is 44.

Mr. REED. Mr. President, I ask the Senator from Connecticut not to press his point of order. There would be no advantage to anyone in doing so. It would be a disadvantage to the Treasury, in that we would not be able to get rid of one of these vessels which are lying idle and unsalable.

Mr. RUSSELL. Mr. President, I should like to inquire of the Senator from Kansas whether they are to be sold under the provisions of statutory law, or whether this amendment relaxes that law in any degree.

Mr. FERGUSON. This provision would relax the law only so far as concerns allowing the Commission to put the vessel back in shape so that it could be used. The sum to be paid by the Commission for that purpose would be charged to the vessel.

Mr. RUSSELL. In addition to the statutory limit of sale?

Mr. FERGUSON. No. This would cut the statutory limit to the extent of the amount necessary to repair the vessel. The Maritime Commission would get the statutory limit less the amount it cost

to repair the vessel. However, in this case it would get at least half a million dollars.

Mr. McMAHON. Mr. President, why does not the concern to which the Maritime Commission proposes to sell the vessels buy them as is and itself make the repairs?

Mr. FERGUSON. This is one of the cases in which that cannot be done.

Mr. McMAHON. Why not?

Mr. FERGUSON. It would cost about \$2,000,000 to put the vessel in shape and take it where it is to be used.

Mr. McMAHON. The Senator's proposal is that we authorize the Maritime Commission to spend \$2,000,000; is it?

Mr. FERGUSON. No, it would cost the company \$2,000,000, and the Government \$1,000,000, making the total \$3,000,000.

Mr. McMAHON. So the proposal is to spend about \$1,000,000 to put the ship in shape. After it is put in the shape the purchasers want it to be in, how much will the Government receive?

Mr. FERGUSON. \$500,000, plus what the Government pays for putting the ship in condition.

Let me read the language of the act which applies:

Provided further, That hereafter the Commission may make allowances to the purchasers of vessels for the cost of putting such vessels in class, such allowance to be determined on the basis of competitive bids, without regard to the provisions of the last paragraph of section 3 (d) of the Merchant Ship Sales Act of 1946.

The difficulty is that under the words "putting such vessels in class", although money can be spent for that purpose today, that will not suffice in this instance, because in this case it is desired to make a new kind of vessel out of the ship, so that it can be used on the Great Lakes. That presents a distinction from the work involved in putting a vessel in class. There is a distinction between putting a ship in class and reconverting a ship.

Mr. McMAHON. What is meant by "putting in class"?

Mr. FERGUSON. As I understand, "putting in class" means to bring a ship from its present condition up to the standard required under the Maritime Commission Act for operating it in the same category for which it was built.

Mr. RUSSELL. Mr. President, I should like to ask whether it is perfectly clear from the terms of the amendment that it applies to only one vessel.

Mr. FERGUSON. That is all—to 1 out of 44.

Mr. McMAHON. Very well, Mr. President, I withdraw the point of order.

Mr. REED. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 6829) was passed.

Mr. REED. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. REED, Mr. BRIDGES, Mr. BROOKS, Mr. GORDON, Mr. GREEN, Mr. RUSSELL, and Mr. McKELLAR conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 2281. An act to provide for an air parcel-post service, and for other purposes;

S. 2554. An act to promote the common defense by providing for the retention and maintenance of a national reserve of industrial productive capacity, and for other purposes; and

S. 2706. An act to authorize the Federal Works Administrator to lease for commercial purposes certain space in the building located at 811 Vermont Ave. NW., Washington, D. C., commonly known as the Lafayette Building.

The message also announced that the House had passed the bill (S. 1322) to provide a Federal charter for the Commodity Credit Corporation, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 2376) to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2830) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 2877) to amend the Reconstruction Finance Corporation Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6633) to authorize an exchange of lands and interests therein between the city of San Diego, Calif., and the United States, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6829) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WIGLESWORTH, Mr. PHILLIPS of California,

Mr. COUDERT, Mr. SCHWABE of Oklahoma, Mr. HENDRICKS, Mr. ANDREWS of Alabama, and Mr. THOMAS of Texas were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5904. An act to incorporate the Virgin Islands Corporation, and for other purposes; and

H. R. 6501. An act to provide for the development of civil transport aircraft adaptable for auxiliary military service, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6465. An act to amend and supplement section 2 of the act approved August 30, 1935, relating to the construction and financing of toll bridges over the Delaware River by the Delaware River Joint Toll Bridge Commission of the Commonwealth of Pennsylvania and the State of New Jersey;

H. R. 6916. An act to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department; and

H. R. 6959. An act to amend the National Housing Act, as amended, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 129) providing for a joint committee composed of members of the Senate and the House Public Lands Committee to make an investigation of our island possessions in the Pacific and trust territories, and report back recommendations for legislation providing for civil government.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 213) authorizing the Committee on Expenditures in the Executive Departments, House of Representatives, to have printed for its use additional copies of the hearings held before a special subcommittee of said committee, current Congress, relative to investigation as to the manner in which the United States Board of Parole is operating and as to whether there is a necessity for a change in either the procedure or basic law, in which it requested the concurrence of the Senate.

PROMOTION OF NATIONAL DEFENSE— INCREASE IN PERSONNEL OF ARMED FORCES

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. What is the pending business?

The PRESIDING OFFICER. The pending business is the motion of the Senator from South Dakota that the Senate disagree to the amendment of the House to the bill (S. 2655) to provide for the common defense by increasing the strength of the armed forces of the United States, including the reserve components thereof, and for other purposes; that the Senate agree to the conference requested by the House on the disagreeing votes of the two Houses thereon, and

that the Chair appoint the conferees on the part of the Senate.

Mr. KNOWLAND. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I understand that no other business is permissible except by unanimous consent, until the pending business is disposed of.

The PRESIDING OFFICER. The Chair so understands.

Mr. WHERRY. Mr. President, if the pending business is the motion, are we ready to vote on the motion?

Mr. REVERCOMB. Mr. President, I understand that the Chair has ruled that no other business can be taken up at this time except by unanimous consent. I was about to move to call up the conference report on the displaced persons bill.

Under the circumstances, I ask unanimous consent that at this time that conference report may be considered.

Mr. KNOWLAND. I object.

The PRESIDING OFFICER (Mr. MARTIN in the chair). The question is on agreeing to the motion of the Senator from South Dakota that the Senate disagree to the amendment of the House to the so-called draft bill, agree to the conference requested by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. TAYLOR. Mr. President, I intend to speak on this motion. At the time when I announced my intention of doing so, I was taken to task by several Senators who said that I would have to answer for my actions. I am perfectly happy to answer for my actions to anyone concerned, especially the people of the United States. They have a vital stake in the matter now being discussed.

Mr. President, we are considering a fundamental change in our American way of life. Never have we had peacetime conscription. The question is whether our Nation is to be militarized or whether it is to remain a great, free nation, as it has been for, lo, these many years, in fact, since our country was founded.

If speaking out against military conscription and against the militarization of our country carries any blame with it, I am perfectly willing to accept it; but I believe such opposition will be considered a credit to anyone who opposes such a move. I am happy to accept any blame, because I feel it will redound to my credit that I oppose this measure. As a member of the new party that is appearing on the American scene, I am happy to accept responsibility for trying to delay or defeat this peacetime conscription measure. If the two old parties want the responsibility of instituting peacetime military conscription, they are perfectly welcome to it, so far as I am concerned and so far as the new party is concerned.

I hold in my hand a brochure prepared for the Senate Appropriations Committee, Mr. President. It is a rather elaborate affair. It is getting a little dog-eared now, for I have been quoting from it at length; but it is on slick paper, and it is full of maps, diagrams, charts, and

what have you. It was prepared by the Office of Naval Intelligence. I do not believe anyone would contend or could contend that the Office of Naval Intelligence is a "red" outfit of any kind or a Communist-front organization or anything of the sort.

This brochure was not for public consumption. I do not believe it is top secret, or anything of that sort; but it was not released to the press. It is very interesting. Of course, it was meant for the eyes of Senators alone, and the ordinary person was not supposed to see it.

Let me read the first paragraph in this book or brochure. The Senate Committee on Appropriations, or it may have been the Finance Committee—I am not certain about that, at the moment—was considering the question of strategic stockpiling; in other words, the accumulation of materials which are scarce in this country. The proposal was that such materials be accumulated so that we would have them on hand in case of an armed conflict. Here is what the brochure has to say in the first sentence:

Realistically—

That means, "Let us not kid each other; this is just between the Navy and the Senators; let us be perfectly frank about this business." That is what that means—

Realistically, all wars have been for economic reasons.

That means that all wars have been fought because somebody expected some material gain from the wars. The last two world wars were fought for economic reasons. The German cartelists and militarists started those two wars in the hope of conquering the world militarily, so they could exploit it economically and become rich. This is what is said here:

To make them—

We will read the preceding sentence again, in order to get the sense of this:

Realistically all wars have been for economic reasons. To make them politically and socially palatable—

"Palatable" is the word, Mr. President. That means so it will taste good, "just like what it ain't"—a sort of cod-liver-oil preparation with vanilla extract in it.

To make them—

Meaning wars—

politically and socially palatable—

So the suckers will like them.

Ideological issues have always been invoked.

What is said there, Mr. President, is that you just cannot get common folks to fight for colonies, for markets, for raw materials, for sources of cheap labor. You just cannot get them rolled up enough to fight; so what is to be done about it? "Ideologically issues have always been invoked."

Mr. President, you cannot get folks mad enough to fight for Standard Oil investments in Saudi Arabia; it just will not work. So what is done? Well, to get the common people mad enough to fight a war, they are told the Catholics are going to get them if they don't watch out. If the people live in a Catholic country, they are told that the Prot-

estants will get them if they do not watch out, or that the Jews are going to get them, or the Mohammedans, or at any rate somebody is going to get them. That seems to get folks mad enough to fight. If they think somebody is going to tear down their church or burn their capitol building or something like that, that makes them mad enough to fight. Well, the statement goes on to say, here:

Any possible future war will undoubtedly conform to historical precedent.

Any war that may come will be fought for the same reasons I have enumerated here—for markets, raw materials, profits, cheap labor, Standard Oil investments in Saudi Arabia—something along that order.

Mr. President, I should like to remind my listeners that Russia has very little reason to fight a war for economic reasons. It says here all wars are fought for that reason, and that any future war will be fought for that reason. Russia has much territory. Russia has many people. Russia has great quantities of raw materials. Russia does not want any markets, because Russia does not want to sell anything, it does not have a profit economy. All the Russians want to do is to produce things to be consumed at home. So the Russians do not have that compulsion to fight wars. Nobody gets rich from war in Russia. They shoot profiteers over there, or did until recently. They have now abolished the death penalty in Russia, which is quite a forward step I would say. Of course we continue to hear about all the people that are getting killed or who are going to get killed in Russia. Possibly it was merely said they were going to abolish it; I do not know.

Mr. WHERRY. Mr. President, will the Senator yield for a question, please?

Mr. TAYLOR. May I yield without prejudice to my rights to the floor?

The PRESIDING OFFICER. The Senator may.

Mr. TAYLOR. I yield to the Senator from Nebraska.

Mr. WHERRY. Several Senators, I may say to the Senator from Idaho, have inquired as to how long we may run tonight. I am not making this inquiry for any other purpose than to enable me to begin to line up the program. Could the Senator tell me how long he feels he might speak on this subject?

Mr. TAYLOR. I do not "feel" right now, I must say to the Senator from Nebraska. I have no idea. I have been thinking this thing over and I cannot arrive at a conclusion in my own mind just what to do. If I thought I could talk long enough so that the folks would have to go up to Philadelphia and just drop the whole business, I would talk that long, but that is quite a way off. I understand they do not have to leave until Monday morning or Sunday night, or some time along there. I doubt very much if I could hold out that long. I think the Lord is on my side, but even he might not sustain me for that length of time. [Laughter.]

Mr. WHERRY. Mr. President, will the Senator yield to a further question?

Mr. TAYLOR. I am happy to yield for another question.

(5) For delivery within the 6th zone, 75 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 33 cents for each additional pound or fraction thereof.

(6) For delivery within the 7th zone, 75 cents for the first pound, or fraction of a pound in excess of eight ounces, plus 45 cents for each additional pound or fraction thereof.

(7) For delivery within the 8th zone, which, with respect to air parcel post, shall include all offices located in continental United States beyond the 7th zone, 80 cents for the first pound or fraction thereof over 8 ounces, plus 65 cents for each additional pound or fraction thereof.

(8) For air parcels exchanged between offices in continental United States and offices in Territories and possessions of the United States, in either direction, and between offices within such Territories and possessions, the applicable zone rate shown in paragraphs (1) to (6) of this section shall apply to and including the seventh zone: *Provided*, That for offices falling in the eighth zone the rate of postage for air parcels weighing in excess of 8 ounces shall be 80 cents for each pound or fraction thereof.

(9) Mailable matter of light weight in relation to size shall be subject to such surcharge as may be determined by the Postmaster General to be warranted by reason of the extra space and care required in handling and transporting such mail matter.

(10) The Postmaster General is authorized and directed to make such rules and regulations, not inconsistent with the Civil Aeronautics Act of 1938 (52 Stat. 973), as amended, or any order, rule, or regulation made by the Civil Aeronautics Board thereunder, as may be necessary for the safe and expeditious transportation by air of mail matter weighing in excess of 8 ounces.

(11) The Postmaster General is further authorized and directed for the period of 2 years, notwithstanding the provisions of paragraphs (1) to (9), inclusive, of this section, to adjust from time to time the weight limit, size, rate of postage, zone or zones or conditions, or either, in order to promote the service to the public and assure the receipt of revenue from such service adequate to pay the cost thereof.

SEC. 2. The Postmaster General is hereby authorized, in the disbursement of the appropriation for domestic air-mail service, to apply a part thereof to the purpose of leasing suitable quarters at public airports for use in the handling and distribution of air mail at a reasonable rental to be paid quarterly or monthly, for a term not exceeding 20 years.

SEC. 3. Section 1 of the act of August 14, 1946 (Public law 730, 79th Cong., 2d sess.), entitled "An act to fix the rate of postage on domestic air mail, and for other purposes," is hereby amended to read as follows:

"The rate of postage on domestic air mail weighing 8 ounces or less shall be 5 cents for each ounce or fraction thereof: *Provided*, That the rate of postage on air mail of the first class weighing in excess of 8 ounces shall be the rate provided for air parcels but in no case shall be less than 3 cents an ounce or fraction thereof."

SEC. 4. This act shall take effect on the first day of the third month following the month of enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

EXCHANGE OF LANDS BETWEEN THE CITY OF SAN DIEGO, CALIF., AND THE UNITED STATES

Mr. ELSTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6633) to

authorize an exchange of lands and interests therein between the city of San Diego, Calif., and the United States, and for other purposes, with Senate amendments thereto, and agree to the same.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, after "Secretary", insert "after receiving the written approval of the Attorney General as to the titles, leases, and other mutual conveyances connected therewith."

Page 6, line 9, strike out all after "Navy" down to and including "and" in line 21 and insert "and shall cease to be used for a period of 2 years by any branch of the armed services of the United States for military or naval purposes, then and in that event, the said lease shall terminate, be canceled and be of no further effect, and the city shall have the immediate right to reoccupy said lands."; and."

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. ELSTON]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATIONS FOR EXECUTIVE OFFICE AND INDEPENDENT OFFICES

Mr. PHILLIPS of California. Mr. Speaker, on behalf of the Committee on Appropriations, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, with Senate amendments, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. PHILLIPS]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. WIGGLESWORTH, Mr. PHILLIPS of California, Mr. COUDERT, Mr. SCHWABE of Oklahoma, Mr. HENDRICKS, Mr. ANDREWS of Alabama, and Mr. THOMAS of Texas.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I wish at this time to bring to the attention of the House a radio broadcast by Mr. Martin Agronsky over the American Broadcasting System.

Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LET'S KEEP THE RECORD STRAIGHT

Mr. JENSEN. Mr. Speaker, I wish at this time to bring to the attention of the House a radio broadcast by a Mr. Martin Agronsky recently over the American Broadcasting Co.'s network from New York which is so replete with false charges and propaganda against Mem-

bers of Congress that it cannot go unanswered in all justice to all good Americans both in and out of Congress.

After this broadcast was made, I requested a copy of Mr. Agronsky's broadcast, which I received several days later, and after the gentleman had made several changes in his charges, which I discovered in checking his exact spoken words against the altered copy he sent me. You will note as I read these charges that the gentleman from New York the Honorable JOHN TABER comes in for criticism, but the truth is that at no time has the gentleman from New York [Mr. TABER] taken part in the subcommittee hearings on this bill for the 1949 fiscal year appropriation bill for the Department of the Interior, nor did he at any time make recommendations to the committee on language or on amounts in the bill, but simply gave his approval to the bill when it came before the full Appropriation Committee of the House, of which he is chairman. Consequently, to the member of the Interior Subcommittee of Appropriations, of which I have the honor of being chairman, must go the blame or credit for the bill as reported to the House of Representatives May 26 last.

I invite everybody in America to examine the action taken by the committee and the Congress on this bill, a great part of which is for the orderly and more rapid development of our 17 Western States.

CHARGES

As the Presidential nominating convention draws near and the Eightieth Congress steps on the legislative gas to meet its June 19 adjournment deadline, it becomes increasingly difficult for the public to see through the obscuring clouds of political oratory exactly what's happening on the floor of the House and Senate to some of the most vital issues affecting our contemporary way of life.

This morning, because it's important that Americans getting ready to elect a new President and a substantially new Congress, see clearly and very clearly just what that Congress is doing, I want to report in some detail on an obscure piece of legislation. This legislation consists of a series of amendments and riders attached by the House Appropriations Committee under the chairmanship of Republican Representative JOHN TABER to the appropriation bill for the Department of the Interior.

ANSWERED

The purpose in his opening statements is to set the stage for an attack upon Republican handling of the Interior Department appropriation bill for 1949 in the House of Representatives. He refers to this bill and amendments as "an obscure piece of legislation" and to the debate upon the bill as "obscuring clouds of political oratory." He indicates that he, as a radio commentator reporting the news, will reveal the facts concerning Republican trickery in passing the bill.

"Obscure" means shaded, darkened, hidden, and remote from observation. Shadowy, mysterious, and unknown are synonyms. Interior Department appropriation bills are not "obscure" in any sense of the word. They are, each year, among the most important annual supply bills enacted by the Congress. During the last 2 years no legislation, including the Marshall plan, has received such ex-

haustive treatment and careful consideration.

The organization of the Congress under our two-party system prevents "obscure" legislation or "buried," "misleading" amendments from being enacted. The House of Representatives and the Senate of the United States, for the newscaster's information, are composed of Republican and Democratic members; their committees and subcommittees are each composed of Republicans and Democrats. The Republicans being the majority party have a majority membership; the Democrats being the minority or opposition party have a minority membership. The House Appropriations Committee is composed of 25 Republicans and 18 Democrats, and the Interior Subcommittee of the House Appropriations Committee is composed of 4 Republicans and 3 Democrats. The Democratic members attend and are as familiar with the hearings and with the bill as written and reported as are the Republican members. Each member, Republican or Democrat, has equal rights and privileges on committees. All members are entitled to be present at all committee meetings and to be present when a report is accepted or rejected and when a bill is drafted. Nothing can be hidden; nothing can be buried; nothing can be obscured. The Democratic members, or the representatives of the opposition party, have the responsibility to inform their leadership and party members of the contents of any and all legislation. They were informed concerning all details of this bill. They knew what was in it.

CHARGES

These obscure amendments and riders buried under misleading titles and literally rammed through the House in one afternoon's inconclusive debate last week, threatened to destroy the American Government's whole vast system of power and irrigation projects. They're important. They come into effect by passing the Senate, the Reclamation Act of 1902 brought into being by President Theodore Roosevelt, will be completely nullified and the exponents of power and land monopolies throughout this country will reign supreme.

ANSWERED

Amendments to the bill referred to by the newscaster as "obscure amendments" were printed in the report exactly as they have been printed in reports for years. There has been no change in procedure. Every Member of the House of Representatives is familiar with the make-up of a House Appropriations Committee report. His reference to an amendment "buried under misleading titles" is misleading itself. No one who read the report or bill could have missed the provision to which he referred. They might have objected to it, but they could not have missed it. Anyone who even casually read pages 45 to 49 of the committee's report and the bill itself would not have been misled by a mere editing error. He appears to have been the only person misled, for Members of the House—as the debate reveals—were well familiar with all its contents, including the legislative limitation which he claims was buried. Nothing in the bill destroys or threatens to destroy Federal irrigation or power projects. Nothing in the bill "nullifies" any provision of the Reclamation Act of

1902, and the newscaster submits no evidence to bear out these charges. The report of the committee insisting upon a reemphasis of reclamation constitutes one of the foremost steps taken within recent years to assure that the spirit and the letter of the 1902 Reclamation Act is fulfilled.

CHARGES

Now, what the House of Representatives did in approving by a voice vote, with not more than 100 Members present, this obscure bit of legislation was nothing less than practically insuring that the extension of public power shall eventually be brought to a dead stop and that the famous 160-Acre Act, which is aimed at blocking the provision of irrigation water from Government dams to farms exceeding 160 acres in size, shall be nullified.

ANSWERED

He charges that the House action on the Interior Department bill will bring "the extension of public power * * * to a dead stop" but does not support the charges with facts. His comments were obviously written without reference to the House hearings, the committee report, or the House debate. This man suppressed the fact that the Department of the Interior will have more money next year than in any previous year. The House committee would provide the Interior Department with \$375,692,591 for the fiscal year 1949. This compares with \$262,801,000 in 1948 and \$258,985,716 available in 1947. The same is true of the Bureau of Reclamation for which the House appropriated \$226,794,897 for use in the fiscal year 1949. This compares with \$136,644,738 available in 1948, the previous peak level—CONGRESSIONAL RECORD, June 1, 1948, page 6933.

Of these huge sums, vast amounts were made available for projects in Western States which involve power as well as reclamation. The Bonneville Power Administration received \$20,920,000 exclusively for power developments; the Anderson Ranch Dam in Idaho, which is an irrigation and power project, will have \$5,100,000 available for all purposes in 1949; \$19,495,000 will be available for the Davis Dam project; \$41,396,000 for the Central Valley project; \$19,750,000 for the Colorado-Big Thompson project; \$8,100,000 for the Hungry Horse project; \$3,192,000 for the Fort Peck project; and over \$54,000,000 for Missouri River Basin projects. Of the money made available for the Missouri River Basin project, approximately \$4,000,000 was earmarked for transmission lines and substations alone. Millions of dollars were made available for the extension of Federal power in Western States. These facts completely answer this commentator's falsification that the "extension of public power" has been brought "to a dead stop." If, after making millions of dollars available for power there is to be no progress, then this broadcaster should argue for a complete and full investigation of Federal power agencies rather than attack the activities and the motives of the House of Representatives.

Nothing in the 1949 Interior Department appropriation bill as it passed the House related to the 160-acre provision of the 1902 Reclamation Act. No recommendation of the Interior subcom-

mittee or of the full Appropriations Committee and no action taken by the House of Representatives in its consideration of the bill blocks or was aimed at blocking the 160-acre limitation in the 1902 act. This reporter's statement to the contrary notwithstanding, it is still the law of the land.

CHARGES

That 160-acre provision of the Reclamation Act was written with Teddy Roosevelt as its champion to prevent the growth of the land monopoly in this country and to insure the protection and existence of small farms. Everyone knows the aims of the Government power project, the basic ones being, of course, that more Americans can get cheaper power and the national power shortage so dangerous to the national defense shall be overcome.

ANSWERED

At this point the newscaster falsely assumes that providing consumers with power is a basic function of the Federal Government. For this information, furnishing consumers with cheap power is not today and has never been a function of the Federal Government, and the Federal Government does not have the authority to build a power project the primary purpose of which is to furnish consumers with cheap electricity, any more than it can set up a grocery store to sell food. Under the Constitution, as interpreted by the courts, the Federal Government can build reclamation, navigation, and flood-control projects, and, when economically feasible, can install power-generating facilities to produce power as a byproduct. With regards to Interior Department projects, the function of government is to provide reclamation and irrigation, and not power. Water users are interested in cheap water. Cheap power means that water will cost relatively more, for in the West power is supposed to help pay the cost of reclamation. He failed to report the policy statement of the House Appropriations Committee which appears on pages 20-21 of Report No. 2038 on H. R. 6705. Eightieth Congress, second session:

The committee desires to reemphasize its statement in former reports on the bill, that the reclaiming of arid lands by the construction of reclamation projects is and always has been the primary purpose of the reclamation laws. Development of hydroelectric power is incidental to irrigation and is made as a means of financially aiding and assisting such undertakings. This policy should not be departed from without specific legislation by the Congress.

The Bureau of Reclamation should not use its power and authority or funds entrusted to its care to construct power facilities that are not essential to carrying out the purpose of the reclamation laws. It is unsound and against the principles of our form of government to appropriate Government funds for the construction of transmission lines, switchyards, substations, and incidental facilities where private capital is prepared to provide them.

At a time when it is so essential for the Government to stimulate the creation of taxable property, it is the opinion of this committee that private enterprise should be encouraged. Investment of private capital in tax-paying properties is greatly to the advantage of the Government. Public funds should be invested only where necessary to furnish adequate services or facilities that private enterprise cannot provide. Not only in regard to the production and distribution of electric energy, but also in small or big business enterprise, agriculture, professional services, and banking.

80TH CONGRESS
2D SESSION

H. R. 6829

IN THE HOUSE OF REPRESENTATIVES

JUNE 18 (legislative day, JUNE 17), 1948

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus,
6 boards, commissions, and offices, for the fiscal year ending
7 June 30, 1949, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: For expenses necessary for the Office of Defense Transportation, including salary of the Director at not to exceed \$12,000, and the Deputy Director at \$10,000; personal services in the District of Columbia; not to exceed \$54,000 for travel expenses, including expenses of attendance at meetings concerned with the work of the agency; not to exceed \$6,500 for printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; \$340,000, of which \$60,000 shall be available exclusively for terminal-leave payments: *Provided*, That the foregoing amounts may be obligated during the period ending February 28, 1949: *Provided further*, That the payment of subsistence to witnesses shall be subject to certification by the Director of the Office of Defense Transportation or his designee, as to the necessity therefor: *Provided further*, That in operating any commercial railroad or truck line the Office of Defense Transportation shall pay whatever license or inspection fees and highway use compensation taxes such lines would have been obligated to pay had they continued in operation under the control of the owners thereof.

ATOMIC ENERGY COMMISSION

For expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, including personal services in the District of Columbia and employment of aliens; purchase of land and interests in land; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; purchase of passenger motor vehicles for replacement only; purchase, maintenance, and operation of aircraft; printing and binding; health-service program as authorized by law (5 U. S. C. 150) ; publication and dissemination of atomic information; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921) ; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals **(1)***(not to exceed \$8,000)* and travel expenses **(2)***(not to exceed \$1,842,000)* ; and payments of obligations incurred under prior year contract authorizations; **(3)**~~\$501,-~~
~~850,000~~ \$521,850,000, of which amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended; from which appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the

1 sums so transferred may be merged with the appropriation
2 to which transferred; and in addition to the amount herein
3 provided, the Commission is authorized to contract for the
4 purposes of this appropriation during the fiscal year in
5 an amount not exceeding \$400,000,000: *Provided*, That no
6 part of this appropriation shall be used to pay the salary of
7 any officer or employee (except such officers and employees
8 whose compensation is fixed by law, and scientific and tech-
9 nical personnel) whose position would be subject to the
10 Classification Act of 1923, as amended, if such Act were
11 applicable to such position, at a rate in excess of the rate
12 payable under such Act for positions of equivalent difficulty
13 or responsibility.

14 HOUSING EXPEDITER

15 Salaries and expenses, Office of the Housing Expediter:
16 For expenses necessary to carry out the functions of the
17 Office of the Housing Expediter, including personal services
18 in the District of Columbia; attendance at meetings of organ-
19 izations concerned with rent control; hire of passenger motor
20 vehicles; printing and binding; services as authorized by
21 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 not to exceed \$5,000 for payment of claims pursuant to sec-
23 tion 403 of the Federal Tort Claims Act (28 U. S. C. 921);
24 and health service program as authorized by law (5 U. S. C.
25 150); \$15,172,100: *Provided*, That the foregoing amounts

1 may be obligated during the period ending March 31, 1949:

2 *Provided further, That any employee of the Office of the*
 3 *Housing Expediter is authorized and empowered, when*
 4 *designated for the purpose by the Housing Expediter, to*
 5 *administer to or take from any person an oath, affirmation,*
 6 *or affidavit when such instrument is required in connection*
 7 *with the performance of the functions or activities of the*
 8 *Housing Expediter (4): And Provided further, That as to*
 9 *cases involving the functions transferred to the Office of the*
 10 *Housing Expediter by Executive Order 9841, section 204*
 11 *(e) of the Emergency Price Control Act of 1942, as amended.*
 12 *shall be considered as remaining in full force and effect*
 13 *during fiscal year 1949.*

14 **(5) RURAL ELECTRIFICATION ADMINISTRATION**

15 *Salaries and expenses: For an additional amount for*
 16 *salaries and expenses, Rural Electrification Administration,*
 17 *fiscal year 1949, including the objects specified under this*
 18 *head in the Department of Agriculture Appropriation Bill,*
 19 *1949, \$450,000, such sum to be in addition to amounts other-*
 20 *wise appropriated for such fiscal year.*

21 **UNITED STATES MARITIME COMMISSION**

22 *Salaries and expenses: For expenses necessary for carry-*
 23 *ing into effect the Merchant Marine Act, 1936, and other laws*
 24 *administered by the United States Maritime Commission,*
 25 **(6)** ~~\$68,360,775~~ *\$69,360,775, within limitations as follows:*

1 Administrative expenses, including personal services in
2 the District of Columbia; printing and binding; not to exceed
3 \$2,000 for newspapers and periodicals; not to exceed \$18,750
4 for services as authorized by section 15 of the Act of August
5 2, 1946 (5 U. S. C. 55a); and not to exceed \$1,125 for
6 entertainment of officials of other countries when specifically
7 authorized by the Chairman; in all, not to exceed
8 ~~(7)\$10,600,000~~ \$11,600,000: *Provided*, That during the
9 fiscal year ending June 30, 1949, the salaries of the Com-
10 missioners of the United States Maritime Commission with
11 the exception of the Chairman, shall be at the rate of
12 \$10,000 each per annum;

13 New ship construction, including reconditioning and
14 betterment, \$29,000,000; and, in addition, the Commis-
15 sion is authorized to enter into contracts for new ship con-
16 struction in an amount not to exceed \$75,000,000: *Pro-*
17 *vided*, That all authority granted to incur obligations for
18 these purposes during 1948 and prior fiscal years not exer-
19 cised prior to July 1, 1948, is hereby revoked, except that
20 not to exceed \$99,000,000 of the funds appropriated for
21 "New ship construction, reconditioning, and betterment" in
22 the Independent Offices Appropriation Act, 1948, shall con-
23 tinue to be available until September 30, 1948 (8): *Provided*
24 *further*, That the Commission may expend amounts to acquire
25 the vessels *Mariposa* and *Monterey* and materials and equip-

1 *ment in conjunction therewith on hand or committed for and*
2 *expend the amounts necessary to complete the vessels, if re-*
3 *quired for the development and maintenance of the commerce*
4 *of the United States and for use of the United States in time*
5 *of war and national emergency, from any amounts available*
6 *within this limitation;*

7 Maintenance of shipyard facilities, \$529,000;

8 Operation of warehouses, \$792,000;

9 Operating-differential subsidies, \$16,691,775: *Provided,*

10 That to the extent that the operating-differential subsidy
11 accrual (computed on the basis of parity) is represented on
12 the operator's books by a contingent accounts receivable
13 item against the Commission as a partial or complete offset
14 to the recapture accrual, the operator (1) shall be excused
15 from making deposits in the Special Reserve Fund and,
16 (2) as to the amount of such earnings the deposit of which
17 is so excused, shall be entitled to the same tax treatment as
18 though it had been deposited in said Special Reserve Fund.
19 To the extent that any amount paid to the operator by the
20 Commission reduces the balance in the operator's contingent
21 receivable account against the Commission, such amount,
22 unless it is forthwith deposited in the fund, shall be con-
23 sidered as withdrawn under Section 607 (h) of the Mer-
24 chant Marine Act, 1936, as amended;

25 Reserve fleet expense, \$9,663,000;

1 Maintenance and operation of terminals, \$585,000;

2 Miscellaneous expenses, including payment of claims
3 pursuant to section 403 of the Federal Tort Claims Act
4 (28 U. S. C. 921), \$500,000.

5 Whenever, in connection with any transaction involving
6 the sale, purchase, or requisition of any vessel, the United
7 States shall be or become obligated to pay any sum to the
8 other party to the transaction and said other party shall be
9 or is indebted to the United States on account of any transac-
10 tion involving the sale, purchase, or requisition of any vessel
11 the amount so owing to the United States shall be deducted
12 from the amount due the other party, and hereafter no officer
13 or employee of the Government shall pay to such other party
14 a sum greater than the net amount owing the other party.

15 Maritime training: For training personnel for the man-
16 ning of the merchant marine (including operation of training
17 stations at Kings Point, New York; Sheepshead Bay, New
18 York; Pass Christian, Mississippi; Saint Petersburg,
19 Florida; and Alameda, California), including not to
20 exceed \$3,300,000 for personal services (exclusive
21 of pay of trainees) in the District of Columbia and
22 elsewhere; expenses of attendance at meetings con-
23 cerned with the work of the Commission when specifically
24 authorized by the Chairman; printing and binding; health
25 service program as authorized by law (5 U. S. C. 150);

1 not to exceed \$2,500 for contingencies for the Superin-
 2 tendent, United States Merchant Marine Academy, to be
 3 expended in his discretion; and not to exceed \$126,896 for
 4 transfer to applicable appropriations of the Public Health
 5 Service for services rendered the Commission; ~~(9)\$8,133,-~~
 6 ~~080~~ \$6,943,000, of which \$75,000 shall be available for
 7 restoration or repair of buildings at the training station at
 8 Pass Christian, Mississippi.

9 State marine schools: To reimburse the State of Cali-
 10 fornia, \$50,000; the State of Maine, \$50,000; the State of
 11 Massachusetts, \$50,000; and the State of New York,
 12 \$50,000; for expenses incurred in the maintenance and sup-
 13 port of marine schools in such States as provided in the
 14 Act authorizing the establishment of marine schools, and so
 15 forth, approved March 4, 1911, as amended (34 U. S. C.
 16 1121-1123); and for the maintenance and repair of vessels
 17 loaned by the United States to the said States for use in
 18 connection with such State marine schools, \$200,000; in all,
 19 \$400,000.

20 Vessel operating functions: For expenses (other than
 21 administrative expenses) necessary for carrying out, until
 22 March 1, 1949, the operating functions transferred to the
 23 United States Maritime Commission by section 202 of the
 24 Naval Appropriation Act, 1947 (60 Stat. 501), \$25,483,-

1 976: *Provided*, That receipts from such functions during the
2 fiscal year 1949 shall be deposited in the Treasury as miscel-
3 laneous receipts.

4 War Shipping Administration liquidation: The unex-
5 pended balance of the appropriation to the Secretary of the
6 Treasury in the Second Supplemental Appropriation Act,
7 1948, for liquidation of obligations found by the General
8 Accounting Office to have been properly incurred against
9 funds of the War Shipping Administration prior to January 1,
10 1947, is hereby continued available from July 1, 1948,
11 until June 30, 1949: *Provided*, That hereafter all moneys
12 accruing to the United States Maritime Commission from
13 operations under the War Shipping Administration revolv-
14 ing fund prior to September 1, 1946 (including all moneys
15 received from agent operators), shall be covered into the
16 Treasury as miscellaneous receipts.

17 Notwithstanding any other provision of this Act, the
18 Commission is authorized to furnish utilities and services
19 and make necessary repairs in connection with any lease,
20 contract, or occupancy involving Government property
21 under control of the Commission, and payments received
22 by the Commission for utilities, services, and repairs so fur-
23 nished or made shall be credited to the appropriation
24 charged with the cost thereof: *Provided*, That rental pay-
25 ments under any such lease, contract, or occupancy on

1 account of items other than such utilities, services, or re-
2 pairs shall be covered into the Treasury as miscellaneous
3 receipts.

4 The United States Maritime Commission shall not incur
5 any obligations during the fiscal year 1949 from the con-
6 struction fund established by the Merchant Marine Act,
7 1936, or otherwise, in excess of the appropriations and limi-
8 tations contained in this Act: *Provided*, That nothing con-
9 tained herein and in the Independent Offices Appropriation
10 Act, 1948, shall be construed to affect the authority of the
11 Commission pursuant to the provisions of section 603 (a) of
12 the Merchant Marine Act, 1936, as amended, (1) to grant
13 operating differential subsidies on a long-term basis and
14 (2) to obligate the United States to make future payments
15 in accordance with the terms of such operating-differential
16 subsidy contracts, and all receipts which otherwise would
17 be deposited to the credit of said fund shall be covered into
18 the Treasury as miscellaneous receipts: *Provided further*,
19 That hereafter the Commission may make allowances to pur-
20 chasers of vessels for cost of putting such vessels in class, such
21 allowances to be determined on the basis of competitive bids,
22 without regard to the provisions of the last paragraph of
23 section 3 (d) of the Merchant Ship Sales Act of 1946 (10):
24 *And provided further*, That such authority to make allowances
25 shall, in the case of vessels of the C-4 type, include authority

1 *to make allowances for the cost of converting such vessels to*
2 *vessels of such other types as the commission may deem to be*
3 *desirable for the purposes of the domestic or foreign commerce*
4 *of the United States or the national defense, in an amount*
5 *not exceeding 75 per centum of the purchase price of such*
6 *vessel, and in addition to expend out of the moneys herein*
7 *appropriated for new ship construction, reconditioning, and*
8 *betterment, such amounts as may be further necessary to*
9 *accomplish such conversion: Provided, That the purchaser*
10 *shall repay the amount so expended in accordance with the*
11 *provisions of section 509 of title V of the Merchant*
12 *Marine Act, 1936, as amended, and any other provisions of*
13 *said title to the extent applicable.*

14 VETERANS' ADMINISTRATION

15 Administration, medical, hospital, and domiciliary
16 services: For necessary expenses of the Veterans' Admin-
17 istration, including maintenance and operation of medical,
18 hospital, and domiciliary services, in carrying out the func-
19 tions pursuant to all laws for which the Administration is
20 charged with administering, including personal services in
21 the District of Columbia; examination of estimates of appro-
22 priations in the field, including actual expenses of subsistence
23 or per diem allowance in lieu thereof; furnishing and laun-
24 dering of such wearing apparel as may be prescribed for
25 employees in the performance of their official duties; health

1 service program as authorized by law (5 U. S. C. 150) ;
2 purchase of three hundred and ninety passenger motor
3 vehicles, of which two hundred and twenty-eight shall be
4 for replacement only; utilization of Government-owned auto-
5 motive equipment in transporting children of Veterans' Ad-
6 ministration employees located at isolated stations to and
7 from school under such limitations as the Administrator may
8 by regulation prescribe; services as authorized by section
9 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; mainte-
10 nance and operation of farms; recreational articles and
11 facilities at institutions maintained by the Veterans' Admin-
12 istration; expenses incidental to securing employment for
13 war veterans; funeral, burial, and other expenses incidental
14 thereto for beneficiaries of the Veterans' Administration ex-
15 cept burial awards authorized by Veterans' Administration
16 Regulation Numbered 9 (a), as amended; the purchase of
17 tobacco to be furnished, subject to regulations of the Admin-
18 istrator, to veterans receiving hospital treatment or domi-
19 ciliary care in Veterans' Administration hospitals or homes;
20 aid to State or Territorial homes in conformity with the Act
21 approved August 27, 1888, as amended (24 U. S. C. 134) ;
22 for the support of veterans eligible for admission to Veterans'
23 Administration facilities for hospital or domiciliary care; the
24 purchase of printed reduced-fare requests for use by veterans
25 when traveling at their own expense from or to Veterans'

1 Administration facilities; not to exceed \$5,765 for news-
2 papers and periodicals; and not to exceed \$57,905 for the
3 preparation, shipment, installation, and display of exhibits,
4 photographic displays, moving pictures, and other visual
5 educational information and descriptive material, including
6 the purchase or rental of equipment; \$936,755,000, from
7 which allotments and transfers may be made to the Federal
8 Security Agency (Public Health Service), the Army, Navy,
9 and Interior Departments, for disbursement by them under
10 the various headings of their applicable appropriations, of
11 such amounts as are necessary for the care and treatment of
12 beneficiaries of the Veterans' Administration, including minor
13 repairs and improvements of existing facilities under their
14 jurisdiction necessary to such care and treatment: *Provided*,
15 That no part of this appropriation shall be used to pay in
16 excess of one hundred persons engaged in public relations
17 work: *Provided further*, That no part of this appropriation
18 shall be expended for the purchase of any site for or toward
19 the construction of any new hospital or home, or for the pur-
20 chase of any hospital or home; and not more than \$8,534,800
21 of this appropriation may be used to repair, alter, improve,
22 or provide facilities in the several hospitals and homes under
23 the jurisdiction of the Veterans' Administration either by
24 contract or by the hire of temporary employees and the
25 purchase of materials.

1 Printing and binding: For printing and binding,
2 \$3,148,000.

3 Tort claims: For payment of claims pursuant to section
4 403 of the Federal Tort Claims Act (28 U. S. C. 921),
5 \$15,000.

6 Pensions: For the payment of compensation, pensions,
7 gratuities, and allowances (including subsistence allowances
8 authorized by part VII of Veterans Regulation 1a, as
9 amended), authorized under any Act of Congress, or regu-
10 lation of the President based thereon, including emergency
11 officers' retirement pay and annuities, the administration
12 of which is now or may hereafter be placed in the Veterans'
13 Administration, and for the payment of adjusted-service
14 credits as provided in sections 401 and 601 of the Act of
15 May 19, 1924, as amended (38 U. S. C. 631 and 661),
16 \$1,898,000,000, to be immediately available and to remain
17 available until expended.

18 Readjustment benefits: For the payment of benefits to
19 or on behalf of veterans as authorized by titles II, III, and
20 V, of the Servicemen's Readjustment Act of 1944,
21 \$1,979,027,000, to be immediately available and to remain
22 available until expended: *Provided*, That no part of this
23 appropriation for education and training under title II of
24 the Servicemen's Readjustment Act, as amended, shall be
25 expended for tuition, fees, or other charges, or for subsistence

1 allowance, for any course elected or commenced by a veteran
2 on or subsequent to July 1, 1948, and which is determined
3 by the Administrator to be avocational or recreational in
4 character. (11) For the purpose of this proviso, train-
5 ing for the purpose of teaching a veteran to fly in
6 connection with his business or occupation in which
7 he is now engaged or for which he is training shall
8 not be considered avocational or recreational. For the
9 purpose of this proviso, education or training for the
10 purpose of teaching a veteran to fly and related aviation
11 courses shall not be considered avocational or recreational
12 when the veteran certifies under oath that he has selected
13 aviation education or training for use in connection with his
14 existing or contemplated business, occupation, or education.

15 Military and naval insurance: For military and naval
16 insurance, \$5,096,000, to be immediately available and to
17 remain available until expended.

18 Hospital and domiciliary facilities: For hospital and
19 domiciliary facilities, \$202,000,000, to remain available until
20 expended for the payment of obligations heretofore or
21 herein authorized to be incurred under this head, and, in
22 addition, the Administrator of Veterans' Affairs is authorized
23 to incur obligations prior to July 1, 1950, in an amount
24 not exceeding \$43,000,000, for extending, with the approval
25 of the President, any of the facilities under the jurisdiction

1 of the Veterans' Administration or for any of the purposes
2 set forth in sections 1 and 2 of the Act approved March 4,
3 1931 (38 U. S. C. 438j-k), or in section 101 of the
4 Servicemen's Readjustment Act of 1944 (38 U. S. C.
5 693a) : *Provided*, That the authority contained in the Third
6 Urgent Deficiency Appropriation Act, 1946, and in the
7 Independent Offices Appropriation Act, 1948, to incur obli-
8 gations for the purposes of this appropriation is hereby
9 extended to July 1, 1950: *Provided further*, That not to
10 exceed 6.7 per centum of the foregoing appropriation and
11 contract authorizations shall be available for the employ-
12 ment in the District of Columbia and in the field of all
13 necessary technical and clerical personnel for the preparation
14 of plans and specifications for the projects as approved here-
15 under and in the supervision of the execution thereof, and
16 for all travel expenses, field office equipment, and supplies
17 in connection therewith, except that whenever the Veterans'
18 Administration finds it necessary in the construction of any
19 project to employ other Government agencies or persons
20 outside the Federal service to perform such services not
21 to exceed 10 per centum of the cost of such projects may be
22 expended for such services: *Provided further*, That, not-
23 withstanding any other provision of law, the Administrator

1 of Veterans' Affairs may select a site and construct a hospital
2 thereon in Arlington County, Virginia.

3 National service life insurance: For the payment of
4 benefits and for transfer to the national service life insurance
5 fund, in accordance with the National Service Life Insurance
6 Act of 1940, as amended, \$49,320,000, to be immediately
7 available and to remain available until expended: *Provided*,
8 That certain premiums shall be credited to this appropriation
9 as provided by the Act.

10 Soldiers' and sailors' civil relief: For payment of claims
11 as authorized by article IV of the Soldiers' and Sailors' Civil
12 Relief Act amendments of 1942, \$65,000, to be immediately
13 and continuously available until expended: *Provided*, That
14 any moneys received as repayment of debts incurred under
15 said article IV shall be credited to this appropriation.

16 Veterans' miscellaneous benefits: For the payment of
17 burial awards authorized by Veterans' Administration Regu-
18 lation Numbered 9 (a), as amended, and for supplies, equip-
19 ment, and tuition authorized by part VII (12) *and payments*
20 *authorized by part IX* of Veterans' Administration Regula-
21 tion Numbered 1 (a), as amended, \$51,883,000, to remain
22 available until expended.

23 No part of the foregoing appropriations shall be available
24 for hospitalization or examination of any persons except
25 beneficiaries entitled under the laws bestowing such benefits

1 to veterans, unless reimbursement of cost is made to the ap-
2 propriation at such rates as may be fixed by the Adminis-
3 trator of Veterans' Affairs.

4 **(13) SURPLUS PROPERTY DISPOSAL**

5 Effective August 31, 1948, the War Assets Administra-
6 tion shall cease to exist as an agency of the Government
7 and its affairs, functions, and responsibilities shall thereafter
8 be disposed of and liquidated in accordance with the
9 following:

10 ~~(1)~~ All right, title, and interest in surplus real prop-
11 erty and all right, title, and interest in notes, mortgages,
12 and contracts of sale or lease in connection with surplus real
13 property shall be transferred to the Reconstruction Finance
14 Corporation to be held and disposed of by such Corporation
15 in accordance, except as provided herein, with the terms
16 of the Surplus Property Act of 1944, as amended;

17 ~~(2)~~ All aircraft and aircraft parts shall be transferred
18 to the Department of the Air Force to be held and disposed
19 of by such Department in accordance, except as provided
20 herein, with the terms of the Surplus Property Act of 1944,
21 as amended;

22 ~~(3)~~ All personal property (other than aircraft and
23 aircraft parts), except such as may be necessary to the
24 liquidation of the War Assets Administration or the exercise
25 of the functions transferred herein, shall be transferred

1 to the Bureau of Federal Supply, Treasury Department, to
2 be held and disposed of by such Bureau in accordance, ex-
3 cept as provided herein, with the terms of the Surplus
4 Property Act of 1944, as amended;

5 ~~(4)~~ Except as necessary to the administration of the
6 functions herein transferred to the Department of the Air
7 Force, the Reconstruction Finance Corporation, and the
8 Bureau of Federal Supply, all administrative property,
9 records, and accounts of the War Assets Administration
10 shall be transferred to the Treasury Department for liquida-
11 tion of the affairs of the War Assets Administration;

12 ~~(5)~~ Such administrative property, records, and per-
13 sonnel of the War Assets Administration as determined by
14 the Director of the Bureau of the Budget to be necessary
15 to the administration of any of the functions herein trans-
16 ferred shall be transferred to the agency to which such
17 function is transferred: *Provided*, That the right to reten-
18 tion in employment by the Government of the personnel so
19 transferred shall be neither greater nor less than such right
20 would have been had the War Assets Administration con-
21 tinued as an independent agency of the Government;

22 ~~(6)~~ The provisions of section 9 of the Reorganization
23 Act of 1945 (Public Law 263, Seventy-ninth Congress)
24 shall apply to the transfers effected by this paragraph in like
25 manner as if such transfer were a reorganization of the agen-

1 cies and functions concerned under the provisions of that
2 Act;

3 ~~(7)~~ Priorities and preferences provided for in the Sur-
4 plus Property Act of 1944, as amended, shall not continue
5 beyond August 31, 1948, as to the disposal of personal
6 property but shall continue as to the disposal of real estate;

7 ~~(8)~~ The agencies herein authorized to dispose of surplus
8 personal property may, after August 31, 1948, transfer any
9 of such property without charge to any other agency of the
10 Government if such property, by such transfer, can be put
11 to public use by the transferee agency;

12 ~~(9)~~ The agencies herein authorized to dispose of sur-
13 plus property shall proceed with due diligence and use all
14 reasonable means within the purview of this Act and the
15 Surplus Property Act of 1944, as amended, to accomplish
16 such purpose at the earliest practicable date and shall report
17 to the Committees on Appropriations of the Senate and the
18 House of Representatives at the end of each month as to
19 progress made;

20 ~~(10)~~ The Secretary of the Treasury, the Secretary of
21 the Air Force, or the Chairman of the Board of Directors
22 of the Reconstruction Finance Corporation may authorize
23 the abandonment, destruction, or donation to public bodies
24 of personal property herein transferred to their respective
25 agencies which has no commercial value or the estimated

1 cost of care and handling of which would exceed the estimated
2 proceeds from its sale;

3 ~~(11)~~ The Surplus Property Act of 1944, as amended,
4 shall not apply to property of the Government which has
5 not been declared surplus under the terms of such Act as of
6 the date of enactment hereof and any such property deter-
7 mined to be surplus shall be disposed of in accordance with
8 the terms of other existing law.

9 For administrative expenses in connection with the func-
10 tions herein authorized to be administered by the War
11 Assets Administration, the Treasury Department, the Depart-
12 ment of the Air Force and the Reconstruction Finance
13 Corporation, to be available for the same purposes as the
14 appropriation for salaries and expenses, War Assets Admin-
15 istration, fiscal year 1948, and whenever in such appropria-
16 tion the title "War Assets Administrator" appears it shall be
17 construed to include his successor as to any of the functions
18 herein transferred, \$50,000,000, from the special fund ac-
19 count in the Treasury as provided for in the First Deficiency
20 Appropriation Act, 1946, to be allocated as the Director of
21 the Bureau of the Budget may determine: *Provided*, That
22 the sum herein provided may be obligated during the period
23 ending August 31, 1948, with respect to the War Assets
24 Administration, and during the period ending March 31,
25 1949, with respect to the other agencies involved.

1 *SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION,*
2 *SPECIAL FUND*

3 *Salaries and expenses: There is hereby appropriated*
4 *from the special fund account in the Treasury as provided*
5 *for in the First Deficiency Appropriation Act, 1946, not*
6 *to exceed \$90,000,000 for the fiscal year 1949 for necessary*
7 *expenses of the War Assets Administration established by*
8 *Reorganization Plan Numbered 1 of 1947; for allocation or*
9 *reimbursement by the War Assets Administrator to Govern-*
10 *ment agencies designated by the Administrator as disposal*
11 *agencies by or pursuant to law, and for payment to Govern-*
12 *ment agencies designated by the Administrator for rendering*
13 *special services in connection with the disposal of surplus*
14 *property, in such amounts as shall be approved by the*
15 *Bureau of the Budget; and for allocation or reimbursement*
16 *to owning agencies for the care and handling (including pay*
17 *and allowances and subsistence of military and naval per-*
18 *sonnel) of surplus property subsequent to the filing of a*
19 *declaration of surplus covering such property with a disposal*
20 *agency designated by the Administrator, or, if the Admin-*
21 *istrator prescribes procedures whereby declarations of surplus*
22 *are made at approximately the time of disposal or removal,*
23 *subsequent to notice by the owning agency to the disposal*
24 *agency that property has been determined to be surplus and*
25 *is subject to such procedures, such funds to be available for*

1 *personal services in the District of Columbia; fees and*
2 *mileage of witnesses at rates provided by law for witnesses*
3 *attending in the United States courts (28 U. S. C. 600c);*
4 *payment of claims pursuant to section 403 of the Federal*
5 *Tort Claims Act (28 U. S. C. 921); services as authorized*
6 *by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),*
7 *and other special services and reports by contract without*
8 *regard to section 3709 of the Revised Statutes, as amended,*
9 *including real estate brokers and appraisers at rates of pay*
10 *or fees not to exceed those usual for similar services; health*
11 *service program as authorized by law (5 U. S. C. 150),*
12 *(not to exceed \$73,000); acceptance and utilization of volun-*
13 *tary and uncompensated services; printing and binding;*
14 *expenses of attendance at meetings of organizations con-*
15 *cerned with the work of the Administration; procurement of*
16 *supplies, equipment, reports, and services in connection with*
17 *the care, handling, and disposition of surplus property with-*
18 *out regard to the provisions of section 3709 of the Revised*
19 *Statutes, as amended, upon determination by the Adminis-*
20 *trator or by any official designated by him for this purpose*
21 *that such method of procurement is necessary; purchase and*
22 *procurement of reports of experts or consultants or organiza-*
23 *tions thereof; advertising, including radio time; maintenance,*
24 *operation, and repair of aircraft in the Territories and*
25 *possessions in connection with disposal activities and, in the*

1 continental limits of the United States in connection with the
2 disposition of aircraft air airports; acquisition of buildings,
3 lands, leaseholds, and other interests therein, and temporary
4 use thereof for the care, handling, and disposition of surplus
5 property; payments to States or political subdivisions thereof
6 of sums in lieu of taxes accruing against real property
7 declared surplus to the Administration by Government cor-
8 porations; advance of funds to Administration cashiers and
9 collection officials upon furnishing bond, for the purpose of
10 handling cash transactions and making change at surplus
11 property sales: Provided, That any employee of the War
12 Assets Administration is authorized, when designated for the
13 purpose by the Administrator, to administer to or take from
14 any person an oath, affirmation, or affidavit, when such
15 instrument is required in connection with the performance
16 of the functions or activities of the War Assets Administra-
17 tion: Provided further, That the Administration may pro-
18 cure by contract or otherwise and furnish to governmental
19 employees and employees of Government contractors at the
20 reasonable value thereof food, meals, subsistence, and medical
21 supplies, emergency medical services, quarters, heat, light,
22 household equipment, laundry service, and sanitation facili-
23 ties, and erect temporary structures and make alterations in
24 existing structures necessary for these purposes, when such
25 employees are engaged in the disposal of surplus property,

1 or in the preparation for such disposal, at locations where
2 such supplies, services, equipment, or facilities are otherwise
3 unavailable, the proceeds derived therefrom to be credited
4 to this appropriation: Provided further, That notwithstand-
5 ing any other law to the contrary, the War Assets Admin-
6 istrator shall establish and maintain a priority for the benefit
7 of small business in the purchase and disposal and distribution
8 and use of surplus real and personal property. The War
9 Assets Administrator shall implement this small-business
10 priority by appropriate regulation, and the relative order
11 of this priority with respect to other priorities established
12 by the Surplus Property Act of 1944, as amended, shall, with
13 respect to personal property follow disposals to veterans
14 and States and political subdivisions and instrumentalities
15 thereof, and with respect to real property, follow disposals
16 to former owners, as provided for in the Surplus Property
17 Act of 1944, as amended: And provided further, That
18 section 15 of the Surplus Property Act of 1944, as amended,
19 is amended by adding the following subsection at the end
20 thereof:

21 “(c) Notwithstanding any other provisions of law and
22 in furtherance of rapid absorption of surplus personal prop-
23 erty into the domestic economy, and of disposition of surplus
24 personal property in a manner to preclude insofar as pos-
25 sible financial expense to the Federal Government in the

1 care, handling, and disposition of such property the Ad-
2 ministrator may authorize without regard to priorities or
3 preferences disposals of such property in such manner and
4 quantities as he deems requisite to the best interests of the
5 economy and the Government in effecting rapid and inex-
6 pensive disposals of surplus personal property, securing the
7 most appropriate fair value under the circumstances, and
8 affording to the extent he deems feasible an appropriate
9 opportunity for the acquisition of such property in accord-
10 ance with the existing provisions of this Act.”

11 GENERAL PROVISIONS

12 SEC. 102. No part of any appropriation contained in
13 this Act shall be used to pay the salary or wages of any
14 person who engages in a strike against the Government of
15 the United States or who is a member of an organization of
16 Government employees that asserts the right to strike against
17 the Government of the United States, or who advocates, or
18 is a member of an organization that advocates, the over-
19 throw of the Government of the United States by force
20 or violence: *Provided*, That for the purposes hereof an
21 affidavit shall be considered prima facie evidence that
22 the person making the affidavit has not contrary to the
23 provisions of this section engaged in a strike against the
24 Government of the United States, is not a member of an
25 organization of Government employees that asserts the

1 right to strike against the Government of the United States,
2 or that such person does not advocate, and is not a member of
3 an organization that advocates, the overthrow of the Govern-
4 ment of the United States by force or violence: *Provided*
5 *further*, That any person who engages in a strike against the
6 Government of the United States or who is a member of an
7 organization of Government employees that asserts the right
8 to strike against the Government of the United States, or who
9 advocates, or who is a member of an organization that advo-
10 cates, the overthrow of the Government of the United States
11 by force or violence, and accepts employment the salary or
12 wages for which are paid from any appropriation contained
13 in this Act shall be guilty of a felony and, upon conviction,
14 shall be fined not more than \$1,000 or imprisoned for not
15 more than one year, or both: *Provided further*, That the
16 above penalty clause shall be in addition to, and not in sub-
17 stitution for, any other provisions of existing law.

18 SEC. 103. The funds appropriated herein shall be subject
19 to the general provisions of titles I and II of the Independent
20 Offices Appropriation Act, 1949 (14), and shall be available
21 for examination of appropriation estimates in the field.

22 SEC. 104. Section 207 of the Independent Offices Ap-
23 propriation Act, 1949, is hereby amended to read as follows:

24 "SEC. 207. Any appropriations or funds available to
25 the executive departments, independent establishments, and

1 wholly owned Government corporations for the payment of
2 salaries and compensation to persons stationed outside the
3 continental United States or in Alaska whose rates of basic
4 compensation are fixed by statute, shall be available for the
5 payment of additional compensation to such persons, based
6 on living costs substantially higher than in the District of
7 Columbia, or conditions of environment which differ sub-
8 stantially from conditions of environment in the States and
9 warrant additional compensation as a recruitment incentive,
10 or both such factors: *Provided*, That such additional com-
11 pensation, except as otherwise specifically authorized by
12 law, shall be paid only in accordance with regulations
13 prescribed by the President establishing rates of such addi-
14 tional compensation and defining the area, groups of posi-
15 tions, and classes of persons to which each such rate applies:
16 *Provided further*, That no additional compensation based
17 on living costs substantially higher than in the District of
18 Columbia shall be paid under this section to any person who
19 is entitled to receive a cost-of-living allowance under section
20 901 (2) of the Foreign Service Act of 1946 or section
21 204 of this Act: *Provided further*, That such additional
22 compensation shall not exceed in any instance 25 per centum
23 of the rate of basic compensation: *Provided further*, That
24 this section shall be effective sixty days after the date of
25 approval of this Act, or on such earlier date as may be

1 specified in regulations issued by the President hereunder,
2 and additional compensation payable under regulations and
3 procedures in effect on the date of approval of this Act may
4 continue to be paid until the effective date of this section.”

5 SEC. 105. The last paragraph under the heading “Public
6 Buildings Administration” in Public Law 491, Eightieth
7 Congress, is hereby amended to read as follows:

8 “No part of the foregoing appropriations to the Federal
9 Works Agency shall be used for the purpose of converting
10 any existing coal heating units to oil or natural gas in any
11 federally owned or rented buildings in or outside the District
12 of Columbia where there is a fuel oil shortage.”

13 SEC. 106. This Act may be cited as “The Supplemental
14 Independent Offices Appropriation Act, 1949.”

Passed the House of Representatives June 9, 1948.

Attest:

JOHN ANDREWS,

Clerk.

Passed the Senate with amendments June 18 (legisla-
tive day, June 15), 1948.

Attest:

CARL A. LOEFFLER,

Secretary.

80TH CONGRESS
2d Session

H. R. 6829

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18 (legislative day, JUNE 17), 1948

Ordered to be printed with the amendments of the
Senate numbered

and administration, through study at appropriate schools or colleges in the United States and supplementary field work and observation of public-health work, to not more than 90 Filipinos, to be designated by the President of the Philippines subject to the provisions of section 311 (c), and not to exceed 5 months of training in such methods and administration, through field work and observation of public-health work, to not more than 10 additional Filipinos, to be so designated. It may replace equipment and supply reasonably necessary additional equipment, utilizing for this purpose, so far as possible, surplus property, and may recommend to the Commission the repair or construction under the provisions of section 304, at any time prior to July 1, 1950, of buildings deemed essential to the rehabilitation of public health and quarantine functions."

Mr. TAFT. I move that the Senate concur in the amendment of the House. The motion was agreed to.

APPROPRIATIONS OF GOVERNMENT CORPORATIONS AND INDEPENDENT EXECUTIVE AGENCIES—CONFERENCE REPORT

Mr. FERGUSON. I submit a conference report on House bill 6481, making appropriations for the Government corporations and independent executive agencies for the fiscal year ending June 30, 1949, and for other purposes, and I ask unanimous consent to its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6481) making appropriations for the Government corporations and independent executive agencies for the fiscal year ending June 30, 1949 and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 8, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 9, 11, 12, 15, 17, 19, 22, 23, 27, 28, 29, 30, 31, 32, and 33, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,300,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,500,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$330,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$30,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment, amended to read as follows: "Provided further, That the Corporation is authorized to pay not to exceed \$1,482.90 for services actually rendered by former employees during the fiscal year 1947 and for which there is no present authority to pay, as follows: L. Brown, \$120.06; W. Finch, \$140.11; J. Johnson, \$116.16; S. Jones, \$86.31; R. Neely, \$148.71; G. Sanders, \$103.19; N. L. Sanders, \$123.82; G. Walker, \$130.78; W. Winfield, \$183.37; W. Scruggs, \$153.60; E. Donley, \$102.68; H. Thomas, \$74.11"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 7, 13, 16, 24, and 26.

HOMER FERGUSON,
CLYDE M. REED,
LEVERETT SALTONSTALL,
KENNETH MCKELLAR,
RICHARD B. RUSSELL,

Managers on the Part of the Senate.

WALTER C. PLOESER,
BEN F. JENSEN,
F. R. COUDERT, JR.,
CLIFF CLEVINGER,
GEORGE MAHON,
JAMIE L. WHITTEN,
ALBERT GORE,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6481, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

June 19, 1948.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the bill (H. R. 6481) making appropriations for Government corporations and independent agencies for the fiscal year ending June 30, 1949, and for other purposes, and concur therein with an amendment as follows: Before the period at the end thereof, insert: "Provided further, That section 304 (b) of the Government Corporation Control Act, as amended (Public Law 248, approved December 6, 1945), shall not be applicable with respect to the Panama Railroad Company until after June 30, 1949."

That the House recede from its disagreement to the amendment of the Senate numbered 13 to said bill and concur therein with an amendment as follows: After "plus accrued dividends thereon" insert: "which, notwithstanding any other provision of law, shall be computed at a rate approximating the average interest cost incurred by the Home Owners' Loan Corporation on its total borrowings during each respective fiscal year."

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be stricken out and inserted by the said amendment, insert the following: "not later than July 30, 1948, as of June 30, 1948 (the corporate records for the fiscal year 1948 to be closed by Defense Homes Corporation prior to actual transfer thereof)."

That the House recede from its disagreement to the amendment of the Senate numbered 24 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment, insert the following: "Provided further, That notwithstanding pro-

visions of law to the contrary, in addition to the foregoing the Corporation is authorized to utilize, from the revolving fund created by section 84 of the Farm Credit Act of 1933 (12 U. S. C. 1148a), such sums as may be necessary (a) to make loans, during a period of five years, to bona fide fur farmers in accordance with the provisions of section 201 (c) of the Emergency Relief and Construction Act of 1932, as amended (12 U. S. C. 1148), all such loans to carry full personal liability of the borrowers and to be secured by such collateral as is deemed by the Corporation to be necessary to afford reasonable assurance of repayment, the aggregate principal amount of which loans shall not exceed \$4,000,000 outstanding at any one time, and (b) not to exceed \$25,000 for administrative expenses of the Corporation and the Farm Credit Administration in connection with such loans, which amount and the aforesaid item of \$146,800 may be combined for accounting purposes."

That the House recede from its disagreement to the amendment of the Senate numbered 26 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment, insert the following:

"DEPARTMENT OF THE INTERIOR

"VIRGIN ISLANDS COMPANY

"Section 304 (b) of the Government Corporation Control Act, as amended (Public Law 248, approved Dec. 6, 1945), shall not be applicable with respect to the Virgin Islands Company until after June 30, 1949.

"The Virgin Islands Company is authorized to borrow from the Treasury of the United States not to exceed \$500,000, for which purpose there is hereby appropriated out of any money in the Treasury not otherwise appropriated \$500,000. The Secretary of the Treasury is authorized to make such loans to the Company for repayment not later than 1 year after the making thereof, at rates of interest determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of any such loan to the Company.

"Not to exceed \$97,880 of the funds available to the Company shall be available for administrative expenses (to be computed on an accrual basis), including salaries of officers, Washington office personnel, and the accounting, purchasing, and pay-roll departments; clerical services; traveling, automobile, office, and sundries expenses; stationery and office supplies; telephone and telegraph; postage; dues and subscriptions; repairs, and maintenance of office buildings and equipment; employees' welfare; and public relations: *Provided*, That such total sum shall be inclusive of the gross amounts of the foregoing categories of expenses before apportionment of any part thereof to manufacturing or other expenses: *Provided further*, That such administrative expenses shall be exclusive of salaries of the engineering and shipping departments, storekeepers, and plant clerical personnel; interest expense; bank service charges; audit fees; and depreciation."

That the House insist upon its disagreement to the amendments of the Senate numbered 1, 2, and 3 to said bill.

Mr. FERGUSON. I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 7, 13, 16, 24, and 26.

The motion was agreed to.

Mr. FERGUSON. I now move that the Senate recede from its amendments numbered 1, 2, and 3.

The motion was agreed to.

SUPPLEMENTAL APPROPRIATIONS FOR
EXECUTIVE OFFICE AND SUNDRY IN-
DEPENDENT EXECUTIVE BUREAUS,
ETC.—CONFERENCE REPORT

Mr. REED. I submit a conference report on House bill 6829, making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The conference report was read.

(For conference report, see House proceedings of today's RECORD.)

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

AMENDMENT OF TRADING WITH THE
ENEMY ACT RELATING TO CERTAIN
WAR CLAIMS—CONFERENCE REPORT

Mr. COOPER. Mr. President, I submit a conference report on House bill 4044, to amend the Trading With the Enemy Act, as amended; to create a commission to make an inquiry and report with respect to war claims; and to provide for relief for internees in certain cases, and I ask unanimous consent for immediate consideration.

The PRESIDING OFFICER. The report will be read.

The conference report was read.

(For conference report, see House proceedings of today's RECORD.)

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

PENSACOLA NATIONAL MONUMENT—
REPORT OF A COMMITTEE

Mr. GURNEY. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report favorably with amendments the bill (H. R. 3416) to provide for the establishment of the Pensacola National Monument, and I submit a report (No. 1771) thereon.

The PRESIDING OFFICER. Without objection, the bill and report will be received, and the report will be printed.

Mr. MORSE. Mr. President, there is at the desk House bill 3416, which is a bill unanimously approved by the Armed Services Committee. It seeks to create a national monument at Pensacola, Fla. It requires the addition of some amendments. I now ask unanimous consent for the present consideration of House bill 3416, so that it may be sent to the House as proposed to be amended. I am confident that there will be no objection to the bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3416) to provide for the establishment of the Pensacola National Monument.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 1, line 3, after "authorized" to strike out "and directed to acquire on" and to insert "to receive on"; in line 4, after "United States", to strike out "by transfer, gift, purchase, condemnation, or otherwise"; in line 8, to strike out "War Department" and insert "Department of the Army"; in line 9, after "Navy Department", to insert "and transferred in accordance with existing law."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THE HOUSING ACT

Mr. CAPEHART. Mr. President, I am a member of the Committee on Banking and Currency, which handles housing matters. I have been through the housing question for approximately 3 years. I do not wish to argue the merits of the Taft-Ellender-Wagner bill. I do not wish to argue the merits of the House bill, but I do wish to make one observation, and I make it because I feel that we should do something here tonight in respect to housing.

It seems to me that some of us in the Senate are taking the same position that we accuse certain Members of the House of taking. We accuse certain Members in the House of denying the House the right to vote upon the Taft-Ellender-Wagner bill. It seems to me that tonight we are likewise denying the Senate the right to consider the housing bill, knowing that any Senator can offer the Taft-Ellender-Wagner bill as a complete substitute for the House bill. I do not know whether the chairman of the House Banking and Currency Committee would take the bill to conference or not. I have no way of knowing. But we are acting in the same way that we are accusing the chairman of the Housing Banking and Currency Committee of acting. That is, we are bowing our necks and saying, "Unless we can have our way we will not take anything."

I believe in all fairness that we should permit the unanimous-consent agreement, and if some Senator wishes to offer the Taft-Ellender-Wagner bill as a complete substitute, put it up to the Senate and let the Senate vote on it and send it back to the House. If the House does not care to consider it, it seems to me that the responsibility will be upon the House, and not upon us.

Mr. WHERRY. Mr. President, I believe that we have exhausted the patience of the distinguished Senator from Louisiana. He has been very patient about withholding his objection. I should like to ask him once again, in the light of what has been said, the mechanical situation, and the parliamentary procedure through which we must go, if he does not feel that we might take up the House bill, let the Senate do what it pleases so far as amendments are concerned, and send it back to the House for consideration.

Mr. ELLENDER. Mr. President, I renew my objection.

Mr. TAFT. Mr. President, I ask that the Senate proceed to the consideration of House bill 6959; that all of that bill after the enacting clause be stricken out and that there be inserted the provisions of Senate bill 866, heretofore passed by the Senate; that the Senate insist upon its amendments and ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. President, we passed a housing bill. It was considered for months in the House. Instead of taking that bill, as the House should have done, and substituting what it wished and sending it to conference, it refused to consider the Senate bill. It put the Senate bill aside and wrote a bill of its own and now sends it over here on the last day of the session.

I have not been able to read all of the provisions of the House bill. As we know, if we debate the question of whether or not to adopt a substitute for the House bill, and the various provisions of the bill, it will require another week, as it did before. It seems to me that the proper way to do is to say, "We passed a bill. We will substitute that bill for the House bill and send it to conference." Then we shall have an opportunity, for example, to correct the provision which was pointed out by the FHA, in which the GI-loan provision does not cover 80 percent of the GI loans in the secondary market. I believe that the most important single thing we can do to keep up the flow of housing is to provide that secondary market. A small committee can consider the two bills and try to reconcile them in some way that may be satisfactory to both Houses.

The suggestion I have made, to take up the bill in one unanimous request, substitute the Senate bill and send it to conference, is the reasonable thing to do at this time.

It has been said that the chairman of the House committee will not agree to a conference. I cannot believe that any such arbitrary position could be taken.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. ELLENDER. I object.

Mr. MCCARTHY. Mr. President, I think the record should be absolutely clear at this time, in the closing hours of the session, as to just who is blocking housing.

First, I thank the Senate from Ohio for the attitude he has taken and congratulate him. He is always a reasonable man. He has demonstrated it again.

The only way we can get housing legislation of any kind—and the Senator from Louisiana, who is blocking this housing legislation, knows it—is by taking up the House bill in the manner suggested by the Senator from Ohio. We all know that there are many things about the bill which the Senate has passed that we do not like. There is also much debris in the House bill. But the only way we can get sensible housing legislation is to have the conferees get together tonight and reconcile the differences.

"DEPARTMENT OF THE INTERIOR
"VIRGIN ISLANDS COMPANY

Section 304 (b) of the Government Corporation Control Act, as amended (Public Law 248, approved December 6, 1945) shall not be applicable with respect to the Virgin Islands Company until after June 30, 1949.

"The Virgin Islands Company is authorized to borrow from the Treasury of the United States not to exceed \$500,000, for which purpose there is hereby appropriated out of any money in the Treasury not otherwise appropriated \$500,000. The Secretary of the Treasury is authorized to make such loans to the Company for repayment not later than 1 year after the making thereof, at rates of interest determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of any such loan to the Company.

"Not to exceed \$97,880 of the funds available to the Company shall be available for administrative expenses (to be computed on an accrual basis), including salaries of officers, Washington officer personnel, and the accounting, purchasing, and pay roll departments; clerical services; traveling, automobile, office, and sundries expenses; stationery and office supplies; telephone and telegraph; postage, dues and subscriptions, repairs and maintenance of office buildings and equipment; employees' welfare, and public relations: *Provided*, That such total sum shall be inclusive of the gross amounts of the foregoing categories of expenses before apportionment of any part thereof to manufacturing or other expenses: *Provided further*, That such administrative expenses shall be exclusive of salaries of the engineering and shipping departments, storekeepers, and plant clerical personnel, interest expense, bank service charges, audit fees, and depreciation."

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. PLOESER].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

SECOND DEFICIENCY APPROPRIATION
BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6935) the second deficiency appropriation bill, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. TABER, WIGGLESWORTH, ENGEL of Michigan, STEFAN, CASE of South Dakota, KEEFE, CANNON, KERR, and MAHON.

SUPPLEMENTAL APPROPRIATIONS FOR
THE EXECUTIVE OFFICE AND SUNDRY
INDEPENDENT EXECUTIVE BUREAUS,
BOARDS, COMMISSIONS AND OFFICES,
1949

Mr. WIGGLESWORTH submitted the following conference report and statement on the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions and

offices, for the fiscal year ending June 30, 1949, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6829) making supplemental appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 7, and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 12, and 14, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$1,500,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$511,850,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the first sum named in said amendment insert "\$7,744,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not be considered avocational or recreational"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following:

"SURPLUS PROPERTY DISPOSAL

"Effective February 28, 1949, the Office of War Assets Administrator is abolished and the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

"(1) All powers, authority, functions and responsibilities of the War Assets Administrator and of the War Assets Administration pertaining to surplus real property, which as used herein shall mean land and interests in land together with buildings, fixtures, facilities, utilities, equipment and other property located thereon or adapted to use in connection with such property for its highest and best use, and all right, title and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation, to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

"(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

"(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

"(4) Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;

"(5) Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: *Provided*, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an independent agency of the Government;

"(6) The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, 79th Cong.) shall apply to the transfers effected by this paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that act;

"(7) Priorities and preferences provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;

"(8) The agencies herein authorized to dispose of surplus personal property may, after the date of enactment hereof, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

"(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

"(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

"(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.

"SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION SPECIAL FUND

"Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not to exceed \$65,000,000, which may be apportioned for obligation during the period ending February 28, 1949, for necessary expenses of the War Assets Administration established by Reorganization Plan Numbered 1 of 1947; for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies for the care and handling (including pay and allowances and subsistence of military and naval personnel) of surplus property subsequent to the filing of a declaration of surplus covering such property with a disposal agency designated by the Administrator, or, if the Administrator prescribes procedures whereby declarations of surplus are made at approximately the time of disposal or removal, subsequent to notice by the owning agency to the disposal agency that property has been determined to be surplus and is subject to such procedures, such funds to be available for personal services in the District of Columbia; fees and mileage of witnesses at rates provided by law for witnesses attending in the United States courts (28 U. S. C. 600c); payment of claims pursuant to Section 403 of the Federal Tort Claims Act (28 U. S. C. 921); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and other special services and reports by contract without regard to section 3709 of the Revised Statutes, as amended, including real estate brokers and appraisers at rates of pay or fees not to exceed those usual for similar services; health service program as authorized by law (5 U. S. C. 150), (not to exceed \$73,000); acceptance and utilization of voluntary and uncompensated services; printing and binding; expenses of attendance at meetings of organizations concerned with the work of the Administration; procurement of supplies, equipment, reports, and services in connection with the care, handling, and disposition of surplus property without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon determination by the Administrator or by any official designated by him for this purpose that such method of procurement is necessary; purchase and procurement of reports of experts or consultants or organizations thereof; advertising, including radio time; maintenance, operation, and repair of aircraft in the Territories and possessions in connection with disposal activities and, in the continental limits of the United States in connection with the disposition of aircraft and airports; acquisition of buildings, lands, leaseholds, and other interests therein, and temporary use thereof for the care, handling, and disposition of surplus property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus to the Administration by Government corporations; advance of funds to Administration cashiers and collection officials upon furnishing bond, for the purpose of handling cash transactions and making change at surplus property sales: *Provided*, That any employee of the War Assets Administration is authorized, when designated for the purpose by the Administrator, to administer to or take from any person an oath, affirmation, or affidavit, when such instrument is required in connection with the performance of the functions or activities of the War

Assets Administration: *Provided further*, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4 and 8.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
F. R. COUDERT, Jr.,
GEO. B. SCHWABE,
JOE HENDRICKS,
GEORGE ANDREWS,
ALBERT THOMAS,

Managers on the Part of the House.

CLYDE M. REED,
STYLES BRIDGES,
C. WAYLAND BROOKS,
GUY CORDON,
THEODORE FRANCIS GREEN,
RICHARD B. RUSSELL,
KENNETH MCKELLAR,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 inserts the provision of the Senate limiting the purchase of newspapers and periodicals by the Atomic Energy Commission to not to exceed \$8,000.

Amendment No. 2 inserts the provision of the Senate limiting travel expenses of the Atomic Energy Commission and limits the amount at \$1,500,000, instead of \$1,842,000, as proposed by the Senate.

Amendment No. 3 appropriates \$511,850,000 for expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, instead of \$501,850,000, as proposed by the House, and \$521,850,000, as proposed by the Senate. The managers on the part of the House and the Senate have agreed that no part of the increase above the original House figure shall be available for administrative expenses.

Amendment No. 4 is reported in disagreement.

Amendment No. 5 relating to the Rural Electrification Administration is eliminated.

Amendment No. 6 relating to the United States Maritime Commission appropriates \$68,360,775 for salaries and expenses as proposed by the House, instead of \$69,360,775, as proposed by the Senate.

Amendment No. 7 provides a limitation of \$10,600,000 for administrative expenses, United States Maritime Commission, as proposed by the House, instead of \$11,600,000, as proposed by the Senate.

Amendment No. 8 is reported in disagreement.

Amendment No. 9 appropriates \$7,744,000 for Maritime training, instead of \$8,133,080,

as proposed by the House, and \$6,943,000, as proposed by the Senate, and provides that \$75,000 shall be available for restoration or repair of buildings at the maritime training station at Pass Christian, Miss., as proposed by the Senate. It is understood and agreed between the House and Senate conferees that of the reduction from the above mentioned House proposal, no decrease is to be made in the number of students anticipated to be trained under the House proposal.

Amendment No. 10 relating to the conversion of C-4 type vessels of the United States Maritime Commission, as proposed by the Senate, is eliminated.

Amendment No. 11 eliminates language carried in the House and Senate bills and substitutes therefor, the following language:

For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation, shall not be considered avocational or recreational.

The language as finally agreed upon is intended to permit all training which will contribute to bona fide use in the veteran's present or future business or employment.

Amendment No. 12 inserts the provision of the Senate permitting payment from the fund "veterans' miscellaneous benefits" to certain veterans as authorized by law in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities.

Amendment No. 13 provides for liquidation of the War Assets Administration, as proposed by the House, but makes such liquidation effective February 28, 1949, instead of August 31, 1948, and appropriates \$65,000,000 for salaries and expenses, instead of \$50,000,000, as proposed by the House, and \$90,000,000, as proposed by the Senate.

Amendment No. 14 inserts the provision of the Senate making funds available for examination of appropriation estimates in the field.

AMENDMENTS IN DISAGREEMENT

Amendment No. 4 clarifies the intent of Congress in regard to rent control violators and continues their right to go to the Emergency Court of Appeals: The managers on the part of the House will offer a motion to recede and concur.

Amendment No. 8 allows the United States Maritime Commission, as required for the development and maintenance of the commerce of the United States and for use in time of war, to expend amounts to acquire the vessels *Mariposa* and *Monterey*: The managers on the part of the House will offer a motion to recede and concur.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
F. R. COUDERT, Jr.,
GEO. B. SCHWABE,
JOE HENDRICKS,
GEORGE ANDREWS,
ALBERT THOMAS,

Managers on the Part of the House.

Mr. WIGGLESWORTH. Mr. Speaker, I call up the conference report on the bill H. R. 6829 and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 5, line 8, after the word "Expediter", insert the following: "And Provided further, That as to cases involving the functions transferred to the Office of the Housing Expediter by Executive Order 9841, section 204 (e) of the Emergency Price Control Act of 1942, as amended, shall be considered as remaining in full force and effect during fiscal year 1949."

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 6, line 23, after "1948", insert the following: "Provided further, That the Commission may expend amounts to acquire the vessels Mariposa and Monterey and materials and equipment in conjunction therewith on hand or committed for and expend the amounts necessary to complete the vessels, if required for the development and maintenance of the commerce of the United States and for use of the United States in time of war and national emergency, from any amounts available within this limitation."

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Star, by David Lawrence.

Mr. CARROLL asked and was given permission to extend his remarks in the RECORD in several instances after the adjournment, and include excerpts.

Mr. CUNNINGHAM asked and was given permission to extend his remarks at this point in the RECORD.

Mr. CUNNINGHAM. Mr. Speaker, in these closing days of Congress I desire to pay tribute to the magnificent service the Honorable J. HARRY MCGREGOR has rendered as chairman of the subcommittee of public buildings and grounds of the Public Works Committee of the House. He has been courageous and courteous. He has worked hard and brought forth much needed legislation, and at the same time worked diligently

to save the taxpayers money. As a member of his committee I am proud of and commend his leadership.

Mr. Speaker, the Honorable GEORGE A. DONDERO, as chairman of the Public Works Committee of the House, has performed an outstanding service during the Eightieth Congress. He is courteous, capable, and efficient, and as chairman of a complex committee has been responsible for much beneficial legislation, and at the same time protected the economy of our Nation. He believes in economy but is forward looking when the need arises. It has been a pleasure for me to serve under his leadership.

RECONSTRUCTION FINANCE CORPORATION

Mr. WOLCOTT. Mr. Speaker, I call up the bill (S. 2377) to amend the Reconstruction Finance Corporation Act, as amended, and move that the House concur in the amendment of the Senate to the amendment of the House to bill of the Senate.

The Clerk read the title of the bill.

The Clerk read the Senate amendment.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DOMESTIC TIN-SMELTING INDUSTRY

Mr. WOLCOTT submitted the following conference report and statement on the bill (S. 2830) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2830) to extend for five years the authority to provide for the maintenance of a domestic tin-smelting industry, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert "June 30, 1951"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows: In lieu of the amended title proposed by the House, amend the title so as to read: "An act to extend for two years the authority to provide for the maintenance of a domestic tin-smelting industry."; and the House agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

RAYMOND E. BALDWIN,
WAYNE MORSE,
LISTER HILL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes

of the two Houses on the amendments of the House to the bill (S. 2830) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate bill extended for a period of 5 years, or until June 30, 1954, the authority to provide for the maintenance of a domestic tin-smelting industry. The amendment of the House extended the authority for a period of only 1 year, or until June 30, 1950. The conference agreement provides for the extension of the authority for a period of 2 years, or until June 30, 1951.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I call up the conference on the bill (S. 2830) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

HOME OWNERS' LOAN ACT OF 1933

Mr. WOLCOTT submitted the following conference report and statement on the bill (H. R. 2798) to amend section 5 of the Home Owners' Loan Act of 1933, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That subsection (i) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding the following provision at the end thereof:

"Any Federal savings and loan association may convert itself into a savings and loan type of institution organized pursuant to the laws of the State, district, or Territory (hereinafter referred to in this section as the State) in which the principal office of such Federal association is located: *Provided*, (1) That the State permits the conversion of any savings and loan type of in-

stitution of such State into a Federal savings and loan association; (2) that such conversion of a Federal savings and loan association into such a State institution is determined upon the vote in favor of such conversion cast in person or by proxy at a special meeting of members called to consider such action, specified by the law of the State in which the home office of the Federal association is located, as required by such law for a State-chartered institution to convert itself into a Federal association, but in no event upon a vote of less than 51 per centum of all the votes cast at such meeting, and upon compliance with other requirements reciprocally equivalent to the requirements of such State law for the conversion of a State-chartered institution into a Federal association; (3) that notice of the meeting to vote on conversion shall be given as herein provided and no other notice thereof shall be necessary; the notice shall expressly state that such meeting is called to vote thereon, as well as the time and place thereof, and such notice shall be mailed, postage prepaid, at least 20 and not more than 30 days prior to the date of the meeting, to each member of record of the Federal association at his last address as shown on the books of the Federal association and to the General Manager of the Federal Savings and Loan Insurance Corporation, Washington, District of Columbia; (4) that, upon the effective date of the conversion, the association has repurchased the total amount invested in its shares by the Secretary of the Treasury; and (5) that if, upon the effective date of conversion, the Home Owners' Loan Corporation will hold of record shares of the association, its approval of the conversion has been obtained; (6) that, in the event of dissolution after conversion, the members or shareholders of the association will share on a mutual basis in the assets of the association in exact proportion to their relative share or account credits; (7) that such conversion shall be effective upon the date that all the provisions of this act shall have been fully complied with and upon the issuance of a new charter by the State wherein the association is located; it being provided that its act of converting into a State-chartered institution shall constitute an agreement to be bound by all the requirements that the Federal Savings and Loan Insurance Corporation may legally impose under section 403 of title IV of the National Housing Act, as now or hereafter amended, and the association shall upon conversion and thereafter be authorized to issue securities in any form currently approved at the time of issue by the Federal Savings and Loan Insurance Corporation for issuance by similar insured institutions in such State, District, or Territory.

"In addition to the foregoing provision for conversion upon a vote of the members only any association chartered as a Federal savings and loan association, including any having outstanding shares held by the Secretary of the Treasury or Home Owners' Loan Corporation, may convert itself into a State institution upon an equitable basis, subject to approval, by regulations or otherwise, by the Home Loan Bank Board and by the Federal Savings and Loan Insurance Corporation: *Provided*, That if the insurance of accounts is terminated in connection with such conversion, the notice and other action shall be taken as provided by law and regulations for the termination of insurance of accounts."

"Sec. 2. Section 19 of the Federal Home Loan Bank Act, as amended, and subsection (c) of section 402 of the National Housing Act, as amended, are hereby each amended by adding at the end thereof the following new sentence: 'All necessary expenses in connection with the making of supervisory or other examinations (except examinations of Federal home loan banks), including the

provision of services and facilities therefor, shall be considered as nonadministrative expenses.'"

And the Senate agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
FREDERICK C. SMITH,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

HARRY P. CAIN,
JOHN BRICKER,
JOHN SPARKMAN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the bill strikes out all after the enacting clause and inserts a substitute amendment. The committee of conference recommend that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and Senate amendment and that the Senate agree to the same.

Both the House bill and the Senate amendment contain provisions for the conversion of any Federal savings and loan association into a comparable State association. The Senate amendment also permitted conversion into a State mutual savings bank. The provisions of the Senate amendment with respect to the procedure for conversion were more detailed than the provisions of the House bill.

The Senate amendment contained a provision not contained in the House bill amending section 19 of the Federal Home Loan Bank Act, and subsection (c) of section 402 of the National Housing Act, to provide that all necessary expenses in connection with the making of supervisory or other examinations (except examinations of Federal home loan banks), including services and facilities therefor, shall be considered as nonadministrative expenses.

The conference substitute, while following the more detailed procedural provisions of the Senate amendment, permits the conversion of a Federal savings and loan association into a comparable State association but not into a State mutual savings bank. The conference substitute also contains the provisions of the Senate amendment referred to above with respect to expenses in connection with the making of supervisory or other examinations.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
FREDERICK C. SMITH,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I call up the conference report on the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DOMENGEAUX. Mr. Speaker, on yesterday I received unanimous consent to extend my remarks in the RECORD and include extraneous matter. It may be that this will exceed the permitted length, but I ask unanimous consent that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. HALLECK asked and was given permission to extend his remarks in the RECORD and include an address by Prof. Claude Horack.

Mr. JENKINS of Ohio and Mr. LEA asked and were given permission to extend their remarks in the RECORD.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HIGH COST OF LIVING

Mr. PHILBIN. Mr. Speaker, one of the great issues facing us at this time is the high cost of living. The prices of necessities of life are bounding into the inflationary stratosphere. Commodity prices have skyrocketed. Things which manufacturers and businessmen utilize to keep business and employment at a high level are not only scarce and difficult to procure in all too many instances, but prices thereof are excessive. What is even more disturbing to a great many of us, the prices of food, clothing, and essentials of life have risen to new high peaks.

These inflationary features operating in the economic system are causing great hardship to the rank and file of the American people who have to pay heavy taxes and who are burdened down with the utterly crushing current costs of necessities like meat, groceries, provisions, clothing, household accessories, and the like, which are indispensable to the ordinary American family to provide comfort and a decent living standard to breadwinners and children, indeed to the American family.

This threat of the inflationary spiral was manifest to me some time ago. Right after VJ-day I urged that wages and prices be brought into a proper equitable relationship and held at that level. As long ago as February 1947 I introduced a resolution in this House calling for a study of the prices of necessities of life and problems facing the

18. HOUSING. Passed, 318-90, as reported H. R. 6959, the housing bill, without the rural-housing title (pp. 9022-47).
19. SELECTIVE SERVICE. Passed, 283-130, with amendments S. 2655, the selective-service bill (pp. 8986-8). Conferees were appointed (p. 8988).
20. ARMY MILITARY APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6771 (p. 8986).
21. DISPLACED PERSONS. Agreed to the conference report on S. 2242, to permit entry of 200,000 displaced persons into the U. S., of whom at least 30% must be farm workers (pp. 9004-13).
22. INTERIOR APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6705 (pp. 8998-9).
23. FOOD AND DRUG ADMINISTRATION. Agreed to the conference report on H. R. 4071, to increase the powers of this agency regarding seizures of foods, etc. (pp. 8996-7). This bill will now be sent to the President.
24. FOREIGN RELIEF. Passed as reported S. 2376, to provide a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (pp. 9078-81).
25. WATER POLLUTION. Agreed to the conference report on S. 418, to provide for water-pollution control through the Public Health Service (p. 9013).
26. RECLAMATION. Concurred in the Senate amendment to H. R. 3218, authorizing an emergency fund for the Bureau of Reclamation, to assure continuous operation of its projects (p. 9015). This bill will now be sent to the President.
27. POSTAL RATES. Passed as reported H. R. 6916, to provide for permanent postal rates and additional compensation for certain P. O. employees (pp. 9052-66).
28. SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6829 (p. 9073).
29. AGRICULTURE INVESTIGATIONS. Agreed, without amendment, to H. Res. 676, providing \$5,000 for the Agriculture Committee (p. 9086).
30. COMMODITY-EXCHANGE INVESTIGATION. Agreed, without amendment, to H. Res. 674, providing \$10,000 for the Andresen Committee (p. 9086).
31. VIRGIN ISLANDS. Passed, 132-9, as reported H. R. 5904, to incorporate the Virgin Islands Corporation (pp. 9087-91).
32. RECLAMATION. Agreed to the conference report on H. R. 5416, to promote the interest of the Fort Hall Indian irrigation project, Idaho (p. 9103).
33. COMMODITY SPECULATION. Rep. Rankin, Miss., discussed the charges against Linder, MacDonald, and Harris (p. 9105).
34. FOREST LANDS. The Public Lands Committee reported without amendment S. 580, to transfer certain O&C lands from the Forest Service to the Interior Department. (H. Rept. 2413) (p. 9107).
35. PERSONNEL; ECONOMY. The Post Office and Civil Service Committee submitted a

report on the relation of new functions of the departments and agencies to increased civilian employment in the executive branch (H. Rept. 2412)(p.9107).

36. DISASTER RELIEF. Passed S. 2877, providing \$10,000,000 additional authority for disaster loans by RFC (p. 9092). The Senate version would have provided \$20,000,000 additional.

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37. SELECTIVE SERVICE. Both Houses agreed to the conference report on S. 2655, the selective-service bill; the House vote was 259-136 (pp. 9137-71, 9357-81). This bill will now be sent to the President.
38. INTERIOR APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6705 (pp. 9171-3). This bill will now be sent to the President.
39. CCC CHARTER. Conferees on this bill, S. 1322, were appointed in both Houses (pp. 9173-5, 9376-7).
40. WATER POLLUTION. Agreed to the conference report on S. 418, to provide for water-pollution control through the Public Health Service (p. 9175). This bill will now be sent to the President.
41. DISPLACED PERSONS. Agreed to the conference report on S. 2242, to permit entry of displaced persons into the U. S. (pp. 9176-88, 9190-6). This bill will now be sent to the President.
42. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 6481, and acted on disagreement amendments (pp. 9177, 9188-90, 9263, 9339-53). This bill will now be sent to the President. As finally passed, the bill includes changes as follows: Authorizes payment by the Federal intermediate credit banks to FCA of not over \$330,000 (House, \$373,600; Senate, \$223,600). Authorizes not over \$1,500,000 for administrative expenses of the production credit corporations (Senate figure; House, \$1,350,000). Provides that the production credit corporations shall return Government capital of at least \$30,000,000 (House, \$60,000,000; Senate, \$20,000,000), and that such capital be carried to the surplus fund of the Treasury instead of being returned to the corporations revolving fund, as proposed by the Senate. Authorizes not over \$146,800 for RACC administrative expenses (Senate figure; House, \$46,800). Authorizes payment by RACC to FCA of not over \$21,000 (Senate figure; House, \$12,500). Does not include the Senate provision for a \$12,000 salary for the FCA Governor. Retains the farmer loan provision in modified form. Strikes out TVA steam-plant provision.
43. VIRGIN ISLANDS. Conferees were appointed, in both Houses, on H. R. 5904, to incorporate the Virgin Islands Corporation (pp. 9182, 9378).
44. SECOND DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H. R. 6935 (pp. 9217-26). Conferees were appointed in both Houses (pp. 9226, 9353). In addition to the committee amendments, agreed to an amendment by Sen. Murray, Mont. (for himself and Sens. Hill and Ball), to provide \$450,000 additional for administrative expenses of REA (pp. 9222-3).
45. INDEPENDENT OFFICES SUPPLEMENTAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 6829 (pp. 9264, 9353-5). This bill will now be sent to the President. The conferees eliminated the Senate amendment

appropriating \$450,000 additional for REA administrative expenses. As reported from conference, the bill provides for liquidation of the War Assets Administration, as proposed by the House, but makes such liquidation effective Feb. 29, 1949, instead of Aug. 31, 1948, and appropriates \$65,000,000 (House, \$50,000,000; Senate, \$90,000,000).

46. HOUSING. Discussed H. R. 6959, the House substitute for S. 866, the T-E-W housing bill, but took no action (pp. 9258-62, 9264-5). The subject was also discussed in the House (pp. 9276-7).
47. ECONOMY; PERSONNEL. Received reports from the Joint Committee on Reduction of Nonessential Federal Expenditures regarding employment, etc., in the various departments and agencies (pp. 9206-16).
48. PAY RAISE. Passed with amendment H. R. 6916, to provide for permanent postal rates and increase the salaries of certain P. O. employees (pp. 9245-57). Conferees were appointed in both Houses (pp. 9257, 9381-2). The Senate amendment provided for revision of the classification structure in the Classification Act; increases in salaries of certain department heads, etc.; elimination of the \$10,000 ceiling; and a \$360 increase in salaries of Classification Act employees.
49. FOREIGN RELIEF. Concurred in the House amendments to S. 2376, providing for a revolving fund for purchase of agricultural commodities to be processed in occupied areas and sold (pp. 9271-2). This bill will now be sent to the President.
50. INDIAN RESERVATIONS. Passed as reported S. J. Res. 162, to rescind certain Interior Department orders establishing Indian reservations in Alaska, except for land actually used, including certain forest lands (pp. 9268-70).
51. DISASTER LOANS. Concurred in the House amendment to S. 2877, authorizing additional disaster loans by RFC, with an amendment increasing the amount to \$40,000,000 (p. 9228). The House concurred in this amendment to its amendment (p. 9355). This bill will now be sent to the President.
52. ARMY MILITARY APPROPRIATION BILL. Both Houses agreed to the conference report on H. R. 6771, this bill (pp. 9205-6, 9322-6). This bill will now be sent to the President.
53. TENNESSEE VALLEY AUTHORITY. Sen. McKellar, Tenn., inserted a letter defending his record regarding TVA (pp. 9257-8).
54. RECLAMATION. Sen. Watkins, Utah, inserted his statement criticizing the Bureau of Reclamation's record (pp. 9196-9).
The House
55. FOREST LANDS. /passed as reported S. 1243, providing for payment of certain national-forest receipts to the Warm Springs Indians, Oreg. (p. 9283). The Senate concurred in the amendments (p. 9199). This bill will now be sent to the President.
56. ALASKA DEVELOPMENT. Received from the Interior Department proposed legislation (1) to settle and extinguish land claims to the public domain in Alaska, and (2) to promote the settlement and development of the public domain in Alaska by facilitating the construction of necessary housing therein; to Interior and Insular Affairs Committee (pp. 9199-200).

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57. ROAD AUTHORIZATIONS. Agreed to the conference report on H. R. 5888, authorizing additional appropriations for roads, including forest highways and forest development roads and trails (p. 9278). This bill will now be sent to the President.
58. FLOOD DAMAGE. Rep. Angell, Oreg., inserted a statement by this Department regarding recent agricultural flood damage in the Columbia Basin (pp. 9281-2).
59. CIVIL-SERVICE RETIREMENT. Concurred in the Senate amendment to H. R. 6651, to provide annuities for certain surviving spouses of annuitants retired prior to Apr. 1, 1948 (p. 9290). This bill will now be sent to the President.
60. MINERALS. Concurred in the Senate amendment to H. R. 4856, to delay liquidation of mineral interests reserved to the U. S. under the FHA Act (p. 9290). This bill will now be sent to the President.
61. TAXATION. Passed as reported H. R. 6712, to provide for revenue revision, to correct tax inequalities, and for other purposes (pp. 9290-322).
62. REMOUNT SERVICE. Passed without amendment S. 2698, to transfer certain Army horses to the New Mexico Military Institute, except those used in the Remount Service program (p. 9331). This bill will now be sent to the President.
63. INFLATION. Rep. Philbin, Mass., urged legislation to control the cost of living (pp. 9356-7).
64. SUGAR. Rep. Marcantonio, N. Y., discussed the economic situation in Cuba and Puerto Rico, particularly regarding sugar production, etc. (pp. 9384-8).

BILLS INTRODUCED - June 19

65. ALASKA DEVELOPMENT. H. R. 7001, to aid the settlement of Alaska and its development; to Public Lands Committee; by Rep. Welch, Calif. (p. 9392).
H. R. 7002, by Rep. Welch, to settle and extinguish land claims in Alaska, to Public Lands Committee (p. 9392).
66. PERSONNEL. H. R. 7003, by Rep. Wolcott, Mich., to provide for a cash allowance for uniforms for U. S. employees; to Post Office and Civil Service Committee (p. 9392).
67. SUGAR. H. R. 7004, by Rep. Marcantonio, N. Y., repealing Sec. 202 (e) of the Sugar Act of 1948; to Agriculture Committee (p. 9392).

NOTE: The Congressional Record for June 19 does not include actions after 10:20 p. m. on that day. The next Record, which will include actions later that day and on June 20, will not be printed until Monday night, June 21, and will be available Tuesday morning. It is understood, however, that Congress took final action on the foreign-aid appropriation bill and the long-range farm program bill.

MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE EXECUTIVE
OFFICE AND SUNDRY INDEPENDENT EXECUTIVE BUREAUS,
BOARDS, COMMISSIONS, AND OFFICES

JUNE 19, 1948.—Ordered to be printed

Mr. WIGGLESWORTH, from the committee of conference, submitted
the following

CONFERENCE REPORT

[To accompany H. R. 6829]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 7, and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 12, and 14, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum named in said amendment insert \$1,500,000; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$511,850,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the first sum named in said amendment insert \$7,744,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following: *For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not be considered avocational or recreational.*

And the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following:

SURPLUS PROPERTY DISPOSAL

Effective February 28, 1949, the Office of War Assets Administrator is abolished and the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) *All powers, authority, functions and responsibilities of the War Assets Administrator and of the War Assets Administration pertaining to surplus real property, which as used herein shall mean land and interests in land together with buildings, fixtures, facilities, utilities, equipment and other property located thereon or adapted to use in connection with such property for its highest and best use, and all right, title and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation, to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(2) *All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(3) *All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;*

(4) *Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;*

(5) *Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: Provided, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an Independent agency of the Government;*

(6) *The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that Act;*

(7) *Priorities and preferences, provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;*

(8) *The agencies herein authorized to dispose of surplus personal property may, after the date of enactment hereof, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;*

(9) *The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;*

(10) *The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;*

(11) *The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.*

SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION, SPECIAL FUND

Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not to exceed \$65,000,000, which may be apportioned for obligation during the period ending February 28, 1949, for necessary expenses of the War Assets Administration established by Reorganization Plan Numbered 1 of 1947; for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies for the care and handling (including pay and allowances and subsistence of mili-

tary and naval personnel) of surplus property subsequent to the filing of a declaration of surplus covering such property with a disposal agency designated by the Administrator, or, if the Administrator prescribes procedures whereby declarations of surplus are made at approximately the time of disposal or removal, subsequent to notice by the owning agency to the disposal agency that property has been determined to be surplus and is subject to such procedures, such funds to be available for personal services in the District of Columbia; fees and mileage of witnesses at rates provided by law for witnesses attending in the United States courts (28 U. S. C. 600c); payment of claims pursuant to Section 403 of the Federal Tort Claims Act (28 U. S. C. 921); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and other special services and reports by contract without regard to section 3709 of the Revised Statutes, as amended, including real estate brokers and appraisers at rates of pay or fees not to exceed those usual for similar services; health service program as authorized by law (5 U. S. C. 150), (not to exceed \$73,000); acceptance and utilization of voluntary and uncompensated services; printing and binding; expenses of attendance at meetings of organizations concerned with the work of the Administration; procurement of supplies, equipment, reports, and services in connection with the care, handling, and disposition of surplus property without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon determination by the Administrator or of any official designated by him for this purpose that such method of procurement is necessary; purchase and procurement of reports of experts or consultants or organizations thereof; advertising, including radio time; maintenance, operation, and repair of aircraft in the Territories and possessions in connection with disposal activities and, in the continental limits of the United States in connection with the disposition of aircraft and airports; acquisition of buildings, lands, leaseholds, and other interests therein, and temporary use thereof for the care, handling, and disposition of surplus property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus to the Administration by Government corporations; advance of funds to Administration cashiers and collection officials upon furnishing bond, for the purpose of handling cash transactions and making change at surplus property sales: Provided, That any employee of the War Assets Administration is authorized, when designated for the purpose by the Administrator, to administer to or take from any person an oath, affirmation, or affidavit, when such instrument is required in connection with the performance of the functions or activities of the War Assets Administration: Provided further, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation.

And the Senate agree to the same.

■ The committee of conference report in disagreement amendments numbered 4 and 8.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
F. R. COUDERT, Jr.,
GEO. B. SCHWABE,
JOE HENDRICKS,
GEORGE ANDREWS,
ALBERT THOMAS,

Managers on the Part of the House.

CLYDE M. REED,
STYLES BRIDGES,
C. WAYLAND BROOKS,
GUY CORDON,
THEODORE FRANCIS GREEN,
RICHARD B. RUSSELL,
KENNETH MCKELLAR,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6829) making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 inserts the provision of the Senate limiting the purchase of newspapers and periodicals by the Atomic Energy Commission to not to exceed \$8,000.

Amendment No. 2 inserts the provision of the Senate limiting travel expenses of the Atomic Energy Commission and limits the amount at \$1,500,000, instead of \$1,842,000, as proposed by the Senate.

Amendment No. 3 appropriates \$511,850,000 for expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, instead of \$501,850,000, as proposed by the House, and \$521,850,000, as proposed by the Senate. The managers on the part of the House and the Senate have agreed that no part of the increase above the original House figure shall be available for administrative expenses.

Amendment No. 4 is reported in disagreement.

Amendment No. 5 relating to the Rural Electrification Administration is eliminated.

Amendment No. 6 relating to the United States Maritime Commission appropriates \$68,360,775 for salaries and expenses as proposed by the House, instead of \$69,360,775, as proposed by the Senate.

Amendment No. 7 provides a limitation of \$10,600,000 for administrative expenses, United States Maritime Commission, as proposed by the House, instead of \$11,600,000, as proposed by the Senate.

Amendment No. 8 is reported in disagreement.

Amendment No. 9 appropriates \$7,744,000 for Maritime training, instead of \$8,133,080, as proposed by the House, and \$6,943,000, as proposed by the Senate, and provides that \$75,000 shall be available for restoration or repair of buildings at the maritime training station at Pass Christian, Miss., as proposed by the Senate. It is understood and agreed between the House and Senate conferees that of the reduction from the above-mentioned House proposal, no decrease is to be made in the number of students anticipated to be trained under the House proposal.

Amendment No. 10 relating to the conversion of C-4 type vessels of the United States Maritime Commission, as proposed by the Senate, is eliminated.

Amendment No. 11 eliminates language carried in the House and Senate bills and substitutes therefor, the following language:

For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or con-

templated business or occupation, shall not be considered avocational or recreational.

The language as finally agreed upon is intended to permit all training which will contribute to bona fide use in the veteran's present or future business or employment.

Amendment No. 12 inserts the provision of the Senate permitting payment from the fund "veterans miscellaneous benefits" to certain veterans as authorized by law in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities.

Amendment No. 13 provides for liquidation of the War Assets Administration, as proposed by the House, but makes such liquidation effective February 28, 1949, instead of August 31, 1948, and appropriates \$65,000,000 for salaries and expenses, instead of \$50,000,000, as proposed by the House, and \$90,000,000, as proposed by the Senate.

Amendment No. 14 inserts the provision of the Senate making funds available for examination of appropriation estimates in the field.

AMENDMENTS IN DISAGREEMENT

Amendment No. 4 clarifies the intent of Congress in regard to rent control violators and continues their right to go to the Emergency Court of Appeals: The managers on the part of the House will offer a motion to recede and concur.

Amendment No. 8 allows the United States Maritime Commission, as required for the development and maintenance of the commerce of the United States and for use in time of war, to expend amounts to acquire the vessels *Mariposa* and *Monterey*: The managers on the part of the House will offer a motion to recede and concur.

R. B. WIGGLESWORTH,
JOHN PHILLIPS,
F. R. COUDERT, Jr.,
GEO. B. SCHWABE,
JOE HENDRICKS,
GEORGE ANDREWS,
ALBERT THOMAS,

Managers on the Part of the House.



[PUBLIC LAW 862—80TH CONGRESS]

[CHAPTER 775—2D SESSION]

[H. R. 6829]

AN ACT

Making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF DEFENSE TRANSPORTATION

Salaries and expenses: For expenses necessary for the Office of Defense Transportation, including salary of the Director at not to exceed \$12,000, and the Deputy Director at \$10,000; personal services in the District of Columbia; not to exceed \$54,000 for travel expenses, including expenses of attendance at meetings concerned with the work of the agency; not to exceed \$6,500 for printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$340,000, of which \$60,000 shall be available exclusively for terminal-leave payments: *Provided*, That the foregoing amounts may be obligated during the period ending February 28, 1949: *Provided further*, That the payment of subsistence to witnesses shall be subject to certification by the Director of the Office of Defense Transportation or his designee, as to the necessity therefor: *Provided further*, That in operating any commercial railroad or truck line the Office of Defense Transportation shall pay whatever license or inspection fees and highway use compensation taxes such lines would have been obligated to pay had they continued in operation under the control of the owners thereof.

ATOMIC ENERGY COMMISSION

For expenses necessary to carry out the purposes of the Atomic Energy Act of 1946, including personal services in the District of Columbia and employment of aliens; purchase of land and interests in land; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of passenger motor vehicles for replacement only; purchase, maintenance, and operation of aircraft; printing and binding; health-service program as authorized by law (5 U. S. C. 150); publication and dissemination of atomic information; payment

of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed \$8,000) and travel expenses (not to exceed \$1,500,000); and payment of obligations incurred under prior year contract authorizations; \$511,850,000, of which amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended; from which appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred; and in addition to the amount herein provided, the Commission is authorized to contract for the purposes of this appropriation during the fiscal year in an amount not exceeding \$400,000,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1923, as amended, if such Act were applicable to such position, at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility.

HOUSING EXPEDITER

Salaries and expenses, Office of the Housing Expediter: For expenses necessary to carry out the functions of the Office of the Housing Expediter, including personal services in the District of Columbia; attendance at meetings of organizations concerned with rent control; hire of passenger motor vehicles; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$5,000 for payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); and health service program as authorized by law (5 U. S. C. 150); \$15,172,100: *Provided*, That the foregoing amounts may be obligated during the period ending March 31, 1949: *Provided further*, That any employee of the Office of Housing Expediter is authorized and empowered, when designated for the purpose by the Housing Expediter, to administer to or take from any person an oath, affirmation, or affidavit when such instrument is required in connection with the performance of the functions or activities of the Housing Expediter: *And provided further*, That as to cases involving the functions transferred to the Office of the Housing Expediter by Executive Order 9841, section 204 (e) of the Emergency Price Control Act of 1942, as amended, shall be considered as remaining in full force and effect during fiscal year 1949.

UNITED STATES MARITIME COMMISSION

Salaries and expenses: For expenses necessary for carrying into effect the Merchant Marine Act, 1936, and other laws administered by the United States Maritime Commission, \$68,360,775, within limitations as follows:

Administrative expenses, including personal services in the District of Columbia; printing and binding; not to exceed \$2,000 for newspapers and periodicals; not to exceed \$18,750 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and not to exceed \$1,125 for entertainment of officials of other countries when specifically authorized by the Chairman; in all, not to exceed \$10,600,000: *Provided*, That during the fiscal year ending June 30, 1949, the salaries of the Commissioners of the United States Maritime Commission with the exception of the Chairman, shall be at the rate of \$10,000 each per annum;

New ship construction, including reconditioning and betterment, \$29,000,000; and, in addition, the Commission is authorized to enter into contracts for new ship construction in an amount not to exceed \$75,000,000: *Provided*, That all authority granted to incur obligations for these purposes during 1948 and prior fiscal years not exercised prior to July 1, 1948, is hereby revoked, except that not to exceed \$99,000,000 of the funds appropriated for "New ship construction, reconditioning, and betterment" in the Independent Offices Appropriation Act, 1948, shall continue to be available until September 30, 1948: *Provided further*, That the Commission may expend amounts to acquire the vessels Mariposa and Monterey and materials and equipment in conjunction therewith on hand or committed for and expend the amounts necessary to complete the vessels, if required for the development and maintenance of the commerce of the United States and for use of the United States in time of war and national emergency, from any amounts available within this limitation;

Maintenance of shipyard facilities, \$529,000;

Operation of warehouses, \$792,000;

Operating-differential subsidies, \$16,691,775: *Provided*, That to the extent that the operating-differential subsidy accrual (computed on the basis of parity) is represented on the operator's books by a contingent accounts receivable item against the Commission as a partial or complete offset to the recapture accrual, the operator (1) shall be excused from making deposits in the Special Reserve Fund and, (2) as to the amount of such earnings the deposit of which is so excused, shall be entitled to the same tax treatment as though it had been deposited in said Special Reserve Fund. To the extent that any amount paid to the operator by the Commission reduces the balance in the operator's contingent receivable account against the Commission, such amount, unless it is forthwith deposited in the fund, shall be considered as withdrawn under Section 607 (h) of the Merchant Marine Act, 1936, as amended;

Reserve fleet expense, \$9,663,000;

Maintenance and operation of terminals, \$585,000;

Miscellaneous expenses, including payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), \$500,000.

Whenever, in connection with any transaction involving the sale, purchase, or requisition of any vessel, the United States shall be or become obligated to pay any sum to the other party to the transaction and said other party shall be or is indebted to the United States on account of any transaction involving the sale, purchase, or requisition of any vessel the amount so owing to the United States shall be

deducted from the amount due the other party, and hereafter no officer or employee of the Government shall pay to such other party a sum greater than the net amount owing the other party.

Maritime training: For training personnel for the manning of the merchant marine (including operation of training stations at Kings Point, New York; Sheepshead Bay, New York; Pass Christian, Mississippi; Saint Petersburg, Florida; and Alameda, California), including not to exceed \$3,300,000 for personal services (exclusive of pay of trainees) in the District of Columbia and elsewhere; expenses of attendance at meetings concerned with the work of the Commission when specifically authorized by the Chairman; printing and binding; health service program as authorized by law (5 U. S. C. 150); not to exceed \$2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; and not to exceed \$126,896 for transfer to applicable appropriations of the Public Health Service for services rendered the Commission; \$7,744,000, of which \$75,000 shall be available for restoration or repair of buildings at the training station at Pass Christian, Mississippi.

State marine schools: To reimburse the State of California, \$50,000; the State of Maine, \$50,000; the State of Massachusetts, \$50,000; and the State of New York, \$50,000; for expenses incurred in the maintenance and support of marine schools in such States as provided in the Act authorizing the establishment of marine schools, and so forth, approved March 4, 1911, as amended (34 U. S. C. 1121-1123); and for the maintenance and repair of vessels loaned by the United States to the said States for use in connection with such State marine schools, \$200,000; in all, \$400,000.

Vessel operating functions: For expenses (other than administrative expenses) necessary for carrying out, until March 1, 1949, the operating functions transferred to the United States Maritime Commission by section 202 of the Naval Appropriation Act, 1947 (60 Stat. 501), \$25,483,976: *Provided*, That receipts from such functions during the fiscal year 1949 shall be deposited in the Treasury as miscellaneous receipts.

War Shipping Administration liquidation: The unexpended balance of the appropriation to the Secretary of the Treasury in the Second Supplemental Appropriation Act, 1948, for liquidation of obligations found by the General Accounting Office to have been properly incurred against funds of the War Shipping Administration prior to January 1, 1947, is hereby continued available from July 1, 1948, until June 30, 1949: *Provided*, That hereafter all moneys accruing to the United States Maritime Commission from operations under the War Shipping Administration revolving fund prior to September 1, 1946 (including all moneys received from agent operators), shall be covered into the Treasury as miscellaneous receipts.

Notwithstanding any other provision of this Act, the Commission is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Commission, and payments received by the Commission for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities,

services, or repairs shall be covered into the Treasury as miscellaneous receipts.

The United States Maritime Commission shall not incur any obligations during the fiscal year 1949 from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act: *Provided*, That nothing contained herein and in the Independent Offices Appropriation Act, 1948, shall be construed to affect the authority of the Commission pursuant to the provisions of section 603 (a) of the Merchant Marine Act, 1936, as amended, (1) to grant operating differential subsidies on a long-term basis and (2) to obligate the United States to make future payments in accordance with the terms of such operating-differential subsidy contracts, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That hereafter the Commission may make allowances to purchasers of vessels for cost of putting such vessels in class, such allowances to be determined on the basis of competitive bids, without regard to the provisions of the last paragraph of section 3 (d) of the Merchant Ship Sales Act of 1946.

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For necessary expenses of the Veterans' Administration, including maintenance and operation of medical, hospital, and domiciliary services, in carrying out the functions pursuant to all laws for which the Administration is charged with administering, including personal services in the District of Columbia; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; health service program as authorized by law (5 U. S. C. 150); purchase of three hundred and ninety passenger motor vehicles, of which two hundred and twenty-eight shall be for replacement only; utilization of Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as the Administrator may by regulation prescribe; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); maintenance and operation of farms; recreational articles and facilities at institutions maintained by the Veterans' Administration; expenses incidental to securing employment for war veterans; funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration except burial awards authorized by Veterans' Administration Regulation Numbered 9 (a), as amended; the purchase of tobacco to be furnished, subject to regulations of the Administrator, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes; aid to State or Territorial homes in conformity with the Act approved August 27, 1888, as amended (24 U. S. C. 134), for the support of veterans eligible for admission to Veterans' Administration facilities for hospital or domiciliary care; the purchase of printed reduced-fare requests for use by veterans when traveling at their own expense from or to Veterans' Administration facilities; not to exceed \$5,765 for newspapers

and periodicals; and not to exceed \$57,905 for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including the purchase or rental of equipment; \$936,755,000, from which allotments and transfers may be made to the Federal Security Agency (Public Health Service), the Army, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment: *Provided*, That no part of this appropriation shall be used to pay in excess of one hundred persons engaged in public relations work: *Provided further*, That no part of this appropriation shall be expended for the purchase of any site for or toward the construction of any new hospital or home, or for the purchase of any hospital or home; and not more than \$8,534,800 of this appropriation may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration either by contract or by the hire of temporary employees and the purchase of materials.

Printing and binding: For printing and binding, \$3,148,000.

Tort claims: For payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), \$15,000.

Pensions: For the payment of compensation, pensions, gratuities, and allowances (including subsistence allowances authorized by part VII of Veterans Regulation 1a, as amended), authorized under any Act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans' Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the Act of May 19, 1924, as amended (38 U. S. C. 631 and 661), \$1,898,000,000, to be immediately available and to remain available until expended.

Readjustment benefits: For the payment of benefits to or on behalf of veterans as authorized by titles II, III, and V, of the Servicemen's Readjustment Act of 1944, \$1,979,027,000, to be immediately available and to remain available until expended: *Provided*, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character. For the purpose of this proviso, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not be considered avocational or recreational.

Military and naval insurance: For military and naval insurance, \$5,096,000, to be immediately available and to remain available until expended.

Hospital and domiciliary facilities: For hospital and domiciliary facilities, \$202,000,000, to remain available until expended for the payment of obligations heretofore or herein authorized to be incurred under this head, and, in addition, the Administrator of Veterans'

Affairs is authorized to incur obligations prior to July 1, 1950, in an amount not exceeding \$43,000,000, for extending, with the approval of the President, any of the facilities under the jurisdiction of the Veterans' Administration or for any of the purposes set forth in sections 1 and 2 of the Act approved March 4, 1931 (38 U. S. C. 438j-k), or in section 101 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a) : *Provided*, That the authority contained in the Third Urgent Deficiency Appropriation Act, 1946, and in the Independent Offices Appropriation Act, 1948, to incur obligations for the purposes of this appropriation is hereby extended to July 1, 1950: *Provided further*, That not to exceed 6.7 per centum of the foregoing appropriation and contract authorizations shall be available for the employment in the District of Columbia and in the field of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 10 per centum of the cost of such projects may be expended for such services: *Provided further*, That, notwithstanding any other provision of law, the Administrator of Veterans' Affairs may select a site and construct a hospital thereon in Arlington County, Virginia.

National service life insurance: For the payment of benefits and for transfer to the national service life insurance fund, in accordance with the National Service Life Insurance Act of 1940, as amended, \$49,320,000, to be immediately available and to remain available until expended: *Provided*, That certain premiums shall be credited to this appropriation as provided by the Act.

Soldiers' and sailors' civil relief: For payment of claims as authorized by article IV of the Soldiers' and Sailors' Civil Relief Act amendments of 1942, \$65,000, to be immediately and continuously available until expended: *Provided*, That any moneys received as repayment of debts incurred under said article IV shall be credited to this appropriation.

Veterans' miscellaneous benefits: For the payment of burial awards authorized by Veterans' Administration Regulation Numbered 9 (a), as amended, and for supplies, equipment, and tuition authorized by part VII and payments authorized by part IX of Veterans' Administration Regulation Numbered 1 (a), as amended, \$51,883,000, to remain available until expended.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans' Affairs.

SURPLUS PROPERTY DISPOSAL

Effective February 28, 1949, the Office of War Assets Administrator is abolished and the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and respon-

sibilities shall thereafter be disposed of and liquidated in accordance with the following:

(1) All powers, authority, functions, and responsibilities of the War Assets Administrator and of the War Assets Administration pertaining to surplus real property, which as used herein shall mean land and interests in land together with buildings, fixtures, facilities, utilities, equipment, and other property located thereon or adapted to use in connection with such property for its highest and best use, and all right, title, and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation, to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944; as amended;

(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

(4) Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;

(5) Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: *Provided*, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an independent agency of the Government;

(6) The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that Act;

(7) Priorities and preferences provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;

(8) The agencies herein authorized to dispose of surplus personal property may, after the date of enactment hereof, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

(9) The agencies herein authorized to dispose of surplus property

shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.

SALARIES AND EXPENSES, WAR ASSETS ADMINISTRATION, SPECIAL FUND

Salaries and expenses: There is hereby appropriated from the special fund account in the Treasury as provided for in the First Deficiency Appropriation Act, 1946, not to exceed \$65,000,000, which may be apportioned for obligation during the period ending February 28, 1949, for necessary expenses of the War Assets Administration established by Reorganization Plan Numbered 1 of 1947; for allocation or reimbursement by the War Assets Administrator to Government agencies designated by the Administrator as disposal agencies by or pursuant to law, and for payment to Government agencies designated by the Administrator for rendering special services in connection with the disposal of surplus property, in such amounts as shall be approved by the Bureau of the Budget; and for allocation or reimbursement to owning agencies for the care and handling (including pay and allowances and subsistence of military and naval personnel) of surplus property subsequent to the filing of a declaration of surplus covering such property with a disposal agency designated by the Administrator, or, if the Administrator prescribes procedures whereby declarations of surplus are made at approximately the time of disposal or removal, subsequent to notice by the owning agency to the disposal agency that property has been determined to be surplus and is subject to such procedures, such funds to be available for personal services in the District of Columbia; fees and mileage of witnesses at rates provided by law for witnesses attending in the United States courts (28 U. S. C. 600c); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and other special services and reports by contract without regard to section 3709 of the Revised Statutes, as amended, including real estate brokers and appraisers at rates of pay or fees not to exceed those usual for similar services; health service program as authorized by law (5 U. S. C. 150), (not to exceed \$73,000); acceptance and utilization of voluntary and uncompensated services; printing and binding; expenses of attendance at meetings of organizations concerned with the work of the Administra-

tion; procurement of supplies, equipment, reports, and services in connection with the care, handling, and disposition of surplus property without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon determination by the Administrator or by any official designated by him for this purpose that such method of procurement is necessary; purchase and procurement of reports of experts or consultants or organizations thereof; advertising, including radio time; maintenance, operation, and repair of aircraft in the Territories and possessions in connection with disposal activities and, in the continental limits of the United States in connection with the disposition of aircraft and airports; acquisition of buildings, lands, leaseholds, and other interests therein, and temporary use thereof for the care, handling, and disposition of surplus property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus to the Administration by Government corporations; advance of funds to Administration cashiers and collection officials upon furnishing bond, for the purpose of handling cash transactions and making change at surplus property sales: *Provided*, That any employee of the War Assets Administration is authorized, when designated for the purpose by the Administrator, to administer to or take from any person an oath, affirmation, or affidavit, when such instrument is required in connection with the performance of the functions or activities of the War Assets Administration: *Provided further*, That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment, laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations where such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation.

GENERAL PROVISIONS

SEC. 102. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organi-

zation of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence, and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 103. The funds appropriated herein shall be subject to the general provisions of titles I and II of the Independent Offices Appropriation Act, 1949, and shall be available for examination of appropriation estimates in the field.

SEC. 104. Section 207 of the Independent Offices Appropriation Act, 1949, is hereby amended to read as follows:

"SEC. 207. Any appropriations or funds available to the executive departments, independent establishments, and wholly owned Government corporations for the payment of salaries and compensation to persons stationed outside the continental United States or in Alaska whose rates of basic compensation are fixed by statute, shall be available for the payment of additional compensation to such persons, based on living costs substantially higher than in the District of Columbia, or conditions of environment which differ substantially from conditions of environment in the States and warrant additional compensation as a recruitment incentive, or both such factors: *Provided*, That such additional compensation, except as otherwise specifically authorized by law, shall be paid only in accordance with regulations prescribed by the President establishing rates of such additional compensation and defining the area, groups of positions, and classes of persons to which each such rate applies: *Provided further*, That no additional compensation based on living costs substantially higher than in the District of Columbia shall be paid under this section to any person who is entitled to receive a cost-of-living allowance under section 901 (2) of the Foreign Service Act of 1946 or section 204 of this Act: *Provided further*, That such additional compensation shall not exceed in any instance 25 per centum of the rate of basic compensation: *Provided further*, That this section shall be effective sixty days after the date of approval of this Act, or on such earlier date as may be specified in regulations issued by the President hereunder, and additional compensation payable under regulations and procedures in effect on the date of approval of this Act may continue to be paid until the effective date of this section."

SEC. 105. The last paragraph under the heading "Public Buildings Administration" in Public Law 491, Eightieth Congress, is hereby amended to read as follows:

"No part of the foregoing appropriations to the Federal Works Agency shall be used for the purpose of converting any existing coal heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia where there is a fuel oil shortage."

SEC. 106. This Act may be cited as "The Supplemental Independent Offices Appropriation Act, 1949."

Approved June 30, 1948.

